

## Technology Dispute On Japan Fighter Resolved With U.S.

By David Sanger  
New York Times Service

TOKYO — Japanese and American officials said Thursday that the two countries have resolved a bitter dispute over the transfer of military technology that threatened to scuttle cooperation on a new fighter plane for the Japanese Air Defense Force.

The agreement was reached after both governments stepped in to end an impasse between Mitsubishi Heavy Industries, the giant Japanese manufacturer that is leading the \$8 billion project to design and manufacture the FSX advanced fighter jet, and General Dynamics Corp. of the United States, which is providing the basic design for the F-16 fighter as a basis for designing the new aircraft.

The negotiations were particularly sensitive because they marked what officials in Tokyo call a turning point in the Japanese-American defense relationship. In the past, military technology has flowed almost exclusively from the United States to Japan.

The FSX project is one of the first in a series of "co-development" efforts — some with potential commercial applications — in which Japanese technology is sup-

posed to flow back to the United States.

But technological rivalries quickly clouded what defense officials hoped would be a smooth cooperation between allies.

On both sides of the Pacific there were fears that the fighting between the two companies could threaten cooperation on a range of scientific and manufacturing projects, including a spinoff project of the Strategic Defense Initiative for a nuclear shield over the western Pacific.

"Very high officials of both governments have been watching this because it is politically so explosive," a senior Japanese official said Thursday. "That is why it was important that we work it out satisfactorily."

U.S. officials expressed satisfaction with the agreement, saying it assured that General Dynamics would receive both technology and manufacturing experience in a critical part of the FSX project. An unusual composite material for the aircraft's wings. It is an area in which Mitsubishi's technology seems considerably more advanced than that of U.S. manufacturers. Defense experts said the com-

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## Bush Picks 'Drug Czar' And Energy Secretary

The Associated Press

WASHINGTON — President-elect George Bush completed the top ranks of his administration on Thursday by selecting William J. Bennett, a former education secretary, to lead the fight against drugs, and James D. Watkins, a retired admiral, to be energy secretary.

In introducing Mr. Bennett, Mr. Bush said that the new post was "a tremendous undertaking."

"The bottom line is this: We need fully and completely to marshal the nation's energy and intelligence in a true, all-out war against drugs," he said.

"We can and we must win that war."

Regarding the work of the incoming energy secretary, Mr. Bush said: "I'm committed to solving the problems that exist within our atomic energy-defense complex. I'm sure that with Jim Watkins by

my side, we're going to do just that."

Mr. Bennett, 45, will coordinate the fight against drugs in filling a position created by Congress last year. Mr. Bush originally planned to give Vice President-elect Dan Quayle the job, but subsequent legislation barred the vice president from holding the post.

Although the position is not a cabinet post, Mr. Bennett is expected to hold cabinet rank. The formal title of the new agency is the Office of National Drug Control Policy. Informally, its head has taken on the title of "drug czar."

Mr. Bennett, who is popular among conservatives, served as education secretary under President Ronald Reagan from 1985 to September.

In a statement Thursday, Mr. Bennett said: "This drug business is a serious business. This government and this administration intend to take it seriously."

Mr. Bush sidestepped a question on whether he thought Mr. Bennett's heavy cigarette smoking — two packs a day — would hamper

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## Alive: 6 Rescued 35 Days After Armenian Quake, Tass Says



Aikaz Akopyan, 50, one of the six earthquake survivors reported rescued from a basement. "We used the food sparingly," he said of supplies stocked there.

By Craig R. Whitney  
New York Times Service

MOSCOW — Six Armenian men who survived for 35 days on pickles, canned fruit, jam and apples in the basement of a nine-story apartment building that collapsed in the Dec. 7 earthquake have been rescued in Leninakan, according to Soviet press accounts on Thursday.

Soviet television showed one of the survivors, Aikaz Akopyan, a 50-year-old electrician who worked in the building, lying in a hospital bed in the Armenian capital, Yerevan.

"I remember I was in the cellar with my neighbors, and then dishes started breaking," he said. "I

## Men Lived on Food Stored in Basement

remember we tried to get up. I don't remember much after that." Authorities in the earthquake zone had dug the last living victims out from the rubble before Christmas and had given up hope of finding any more. Rescue operations had stopped, and for the last several weeks workers in Leninakan, Spitak, and Kirovakan have been clearing away rubble and blowing up buildings too heavily damaged to reoccupy.

According to the television report, a group of youngsters found the six men on Wednesday, but it was not clear how.

Mr. Akopyan said that what saved him and his five friends was that they had been in the basement, moving two heavy barrels, when the earthquake struck and the building suddenly collapsed around them.

The Soviet press agency Tass identified the others who were saved as Rafik Simonyan, Karlen Sarkisyan, Vanik Khachatryan and two young men whose names the exhausted Mr. Akopyan apparently could not remember. Mr. Sarkisyan's arm was broken, but the others were only slightly injured, Tass said.

"There was everything down there," Mr. Akopyan said in the TV interview. "Pickles, canned fruit salad, jam, apples." Tass said there was also smoked ham stored in the basement. "We used the food sparingly," Mr. Akopyan said. "After all, we had no idea what had happened or how long we would be entombed. We lost track of time completely." Tass quoted him as saying he sang and told stories to keep up the spirits of the other, younger men.

Mr. Akopyan was shown after being brought to Yerevan from Leninakan, in the mountains 70

miles (113 kilometers) to the north, at 11:15 A.M. on Thursday, according to the telecast.

Attempts to reach Mr. Akopyan and his doctors in the hospital by telephone were unavailing. His condition was reported as being satisfactory.

The other five men, according to a reporter for Arminpress, the official Armenian press agency in Yerevan, were in less serious condition at a district hospital near Leninakan. "It was pure luck," said the reporter, whose information was mostly confirmed later in the Tass account.

He also said that rescuers had not told Mr. Akopyan that his wife and four children were killed.

## Moscow Is Said to Take Over Nagorno-Karabakh

By Bill Keller  
New York Times Service

MOSCOW — In an attempt to defuse the violent ethnic dispute that has brought virtual martial law to the republics of Armenia and Azerbaijan, the Soviet government decided Thursday to put the disputed Nagorno-Karabakh Autonomous Region under the direct rule of Moscow, according to an Armenian journalist.

The compromise, which has no precedent in Soviet history, would in effect end 65 years of Azerbaijani control of the contested region, while leaving it formally part of the Azerbaijan Republic.

The press agency Tass on Thursday disclosed only that the government would establish an unspecified "special administration" in the region and promised that details would be published later.

But the Armenian journalist, Zori Balayan, who has been a prominent participant in the search for a compromise, said the government had adopted a proposal promoted by leading intellectuals, including the human rights advocate Andrei D. Sakharov.

Moscow rejected such a proposal for the region last July, offering instead a package of new economic benefits and a study by a special commission.

The plan adopted Thursday calls

for Nagorno-Karabakh to be governed by a special committee representing central authorities in Moscow and local officials, but including no representatives of the two clashing republics, Mr. Balayan said in a telephone interview from his home in Yerevan, the Armenian capital.

Mr. Balayan applauded the compromise, but said he could not predict how it would be received by the restless Armenian majority in Nagorno-Karabakh, who have demanded that the region be annexed to Armenia.

"They have suffered so much in that region, it's hard to judge how they will receive it," Mr. Balayan

said. "I think here and in Azerbaijan, the reaction will be calm, but not enthusiastic. The main thing is to stop the violence."

Mr. Sakharov, who recently visited the embattled region at the request of President Mikhail S. Gorbachev, said Thursday that if Mr. Balayan's account was correct, "this is very good news."

More than 70 people have been officially reported killed in the two republics since the dispute over Nagorno-Karabakh ignited longstanding mistrust between the predominantly Moslem Azerbaijanis and the Armenians, who are mostly Christian.

Tass said the decision was made

"taking into account proposals from the party and state agencies of Azerbaijan and Armenia," but did not say that officials of the republics had endorsed the plan.

Abdul-Rakhman Vezirov, the Azerbaijani party leader, and Suren G. Arutunyan, the head of the Armenian Communist Party, both spoke before the ruling Thursday in the Presidium of the Supreme Soviet.

The decree is the first use of a constitutional amendment adopted in December, which gives the Presidium new authority to introduce "special forms of administration" to protect the safety of Soviet citizens.

The West German government, however, officially confirmed on Thursday that it had "indications" that German companies were involved in the plant. Government officials acknowledged the fact privately on Wednesday, after repeatedly saying they had no evidence of such participation.

A statement issued by the government spokesman, Friedhelm Ost, said, "The government has indications of possible involvement by German firms and persons in this plant in Libya, and responsible authorities have been given this information and have been asked to do everything they can to follow the leads intensively."

Mr. Ost said the government was interested in a "complete explanation" of the connection that German companies may have had to the Libyan plant. "We are especially interested in clearing up if and in

## Shipper To Libya Is Seized

### Belgian Officials Make First Arrest Of Investigation

By Serge Schmemmann  
New York Times Service

BONN — The intensive investigations into who helped Libya build a chemical plant produced their first arrest on Thursday — a Belgian, charged with disguising a shipment of goods from West Germany — and the Bonn government officially acknowledged "indications" that West German companies were indeed involved.

Previously, and with some indignation, the Bonn government had insisted that it had found no evidence to support Washington's assertions that a West German chemical company had played a key role in the building of the Libyan plant, which Washington says is capable of producing chemical weapons.

Officials in the Belgian port of Antwerp said Josef Gedeopt, 44, owner of the shipping firm Cross Link, was arrested on Wednesday evening on charges of falsifying shipping documents.

According to press reports in West Germany and Belgium, Mr. Gedeopt is said to have concealed shipments of goods destined for the Libyan complex at Rabta, south of Tripoli, by giving their purported destination as Hong Kong. The Gazet van Antwerpen reported that one such shipment had arrived in Antwerp in February 1986 from Imhausen-Chemie, the West German chemicals company, and was routed by Cross Link to Libya.

Imhausen has been identified by U.S. officials as having had a major role in the building of the Libyan plant. The company has denied any connection to the project, and West German authorities have found no evidence so far to support the allegations against it.

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## Banning Toxic Arms: Without Arabs, No Pact

By Edward Cody  
Washington Post Service

PARIS — The Paris conference on chemical weapons is being hailed as a new moral barrier to their use and a historic step toward a total ban on making and possessing such weapons.

But the five-day gathering that ended Wednesday also produced something distinctly less attractive to its U.S. and French organizers: It crystallized more than ever before Arab reluctance to forgo chemical arsenals as a counterbalance to the nuclear weapons they say are stockpiled by Israel.

The Arab position, although finally toned down in the interests of a unanimous communiqué, could emerge as a formidable problem for the 40-nation chemical disarmament talks in Geneva that are intended to produce a global ban on using, making or stockpiling poison gas.

In the view of some diplomatic specialists, the Arab position could turn out to be the most intractable problem of them all, surpassing even the difficulties over verifica-

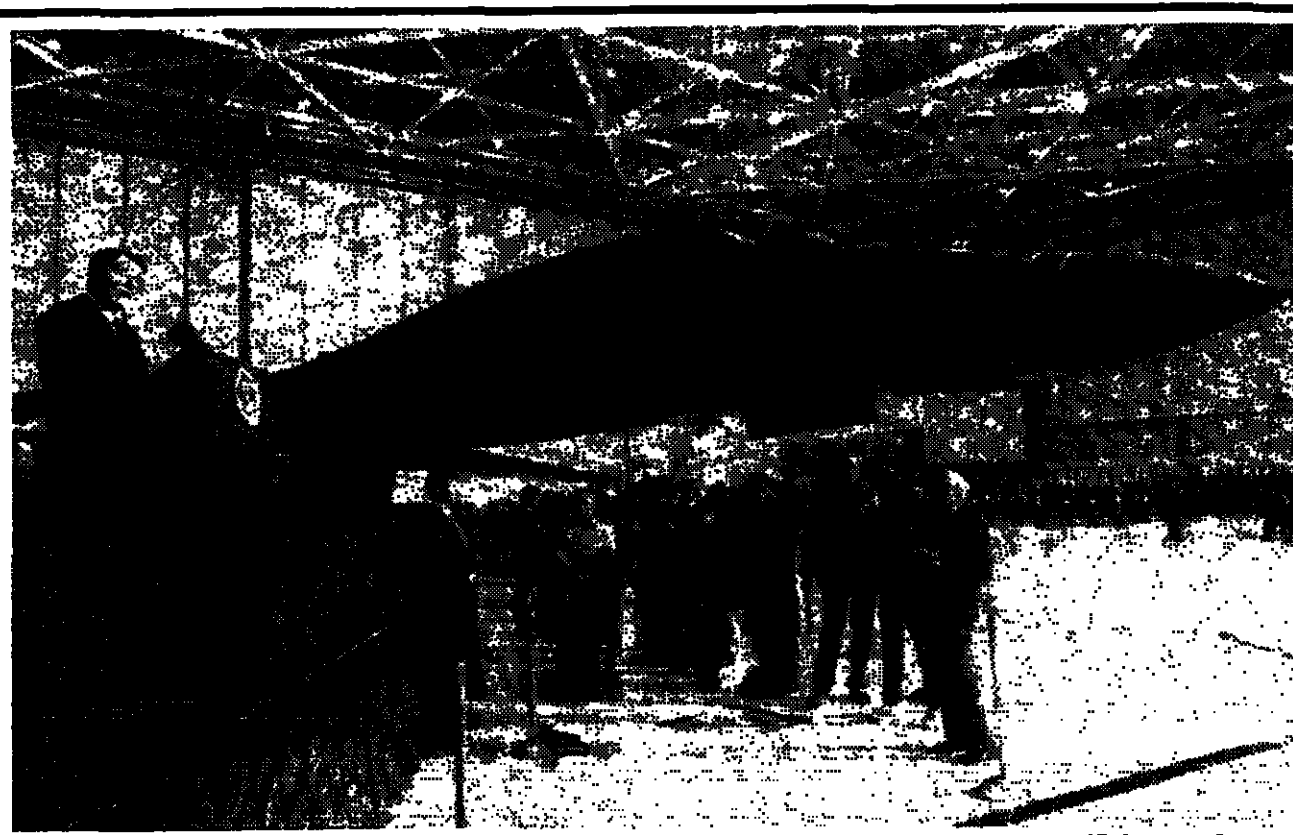
tion, because it introduces the visceral Middle East conflict to an already complicated negotiation in Geneva.

Although the Soviet Union and the United States may eventually reach agreement on verification, a U.S. diplomat said, neither nation is likely to sign a treaty unless it also is signed by other governments with chemical weapons or the ability to make them.

These considerations, known by specialists but given new clarity at the Paris conference, seemed starkly inconsonant with optimistic expressions of hope from the Soviet foreign minister, Eduard A. Shevardnadze, and others that a Geneva treaty banning chemical weapons production and possession could be completed by next year.

A senior European diplomat said that a new combination of ballistic missiles and chemical weapons has given Arab nations like Syria and Iraq a retaliatory threat they never possessed before against Israel's superior conventional weapons and

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FAREWELL TO ARMS — President Ronald Reagan speaking Thursday at a Pentagon pavilion at a Maryland air force base with a B-1 bomber as backdrop. In his farewell address from the Oval Office, Mr. Reagan paid tribute to the American people. Page 3.

## Vodka Bottles and Sailor's Cap: Clues in U.S. Missile Mystery

By Andrew Rosenthal  
New York Times Service

WASHINGTON — First the flight recorder from a U.S. missile was missing. Then a few empty vodka bottles and a Soviet sailor's cap turned up on a remote South Pacific beach where there were not supposed to be any Soviet seamen.

Finally, the U.S. Army, Navy, Air Force, Defense Intelligence Agency and Department of Energy began investigating whether these things had anything in common.

After more than 18 months, Pentagon officials are still not sure if there is any connection. But officials are convinced that those objects may be evidence that Soviet agents slipped into the lagoon formed by the Kwajalein Atoll from a submarine and snatched an electronic de-

vices that could help them learn more about U.S. nuclear missiles.

Pentagon officials, reacting to a CBS News report on Tuesday about the investigation, said Wednesday that there was no firm evidence that Soviet agents had taken the flight recorder, which was aboard a Minuteman missile test-fired in 1987.

There is circumstantial evidence that a Soviet submarine was deployed near the missile's splashdown point in the atoll, which is in the Marshall Islands, officials said.

But espionage is not the only possible explanation, or even the most plausible one, Pentagon officials said. The flight recorder could have been dropped in the ocean in the recovery effort or may have been lost while the remains of the warhead

were shipped back to the United States or simply misplaced.

"I checked with our central information agency. They said they couldn't find anything in the lost and found."

A Soviet spokesman

"It's unlikely that the Soviets recovered it during the hours between splashdown and the first search, but we cannot rule out that possibility," a Pentagon spokesman said.

The Soviet Foreign Ministry spokesman, Gennadi I. Gerasimov, said on Wednesday that he had heard news reports of the missing flight recorder. "I checked with our central information agency," he said. "They said they couldn't find anything in the lost and found."

The cloak-and-submarine tale started on July 7, 1987, at Vandenberg Air Force Base in California, where a Minuteman was test-fired toward Kwajalein Atoll, about 5,000 miles (8,100 kilometers) away.

After test missiles splash down, the army sends out contract divers to recover the dummy warheads and recorders. An official said that normally happens quickly, but this time the search was not begun until the next morning.

Everything appeared normal at first. The

warhead had broken into pieces, which were collected, turned over to the army and shipped back to the United States for analysis by the Department of Energy. But when the package was opened 45 days later, the flight recorder was missing.

Divers were dispatched to search the lagoon again — they went out five times in all — but the device was not found.

Then a search turned up the sailor's hat, vodka bottles, packs of Soviet-made cigarettes and Soviet-made bug spray. That prompted officials to suspect that a Soviet submarine had been in the area and landed a team on the beach.

The Pentagon spokesman said he could not confirm that, but said "there have been reports of submarine sightings, and they are not being ignored."

### Klosk

#### Libya to Return Airman's Body

Compiled by Our Staff From Despatches

WASHINGTON — Libya said it will turn over the body of a U.S. Air Force officer killed in the 1986 bombing raid on Libya, U.S. military officials said Thursday.

The officials confirmed a broadcast by the Libyan news agency that the body of one of two U.S. officers lost in the raid would be turned over Friday. The body apparently is that of Captain Paul Lorence.

(Reuters, AP)



The poet Rainer Maria Rilke was buried in a small cemetery in Barro, Switzerland, in 1927. A sentimental visit to the grave of the author of the "Duino Elegies." In Travel, Page 7.

#### General News

An old Mexican feud was rekindled in the arrest of a union leader. Page 3.

#### Business/Finance

Britain will investigate a £1.7-billion British-German bid for Plessey Co. Page 11.

Down	Close	The Dollar
Up	15.39	1.8273
Down	1.784	DM
Up	126.425	Yen
Down	6.2215	FF







## Reagan's Farewell: Tinges of Nostalgia

Final Speech a Tribute to Americans

By Lou Cannon  
Washington Post Service

WASHINGTON — President Ronald Reagan has paid a sentimental farewell tribute to the American people, saying that their support had enabled his presidency to achieve a "great rediscovery" of freedom, with far-reaching consequences that included "a satisfying new closeness" with the Soviet Union.

"We meant to change a nation, and instead we changed a world," Mr. Reagan said in his 34th and final nationally televised Oval Office address Wednesday.

Looking back proudly at his two-term presidency, which will end Jan. 20, Mr. Reagan said the United States had "stood, again, for freedom," with the result that "America is respected again in the world and looked to for leadership."

The president listed this as one of his "two great triumphs." He said the other was the domestic economic recovery, "in which the people of America created — and filled — 19 million new jobs."

Mr. Reagan acknowledged some regrets but mentioned only one — the legacy of mammoth budget deficits. In this speech, unlike others recently, he did not blame the deficit on Congress or any other group, saying, "Tonight isn't for arguments, and I'm going to hold my tongue."

The president hailed "the new peacefulness" around the globe, mentioning the Gulf, Afghanistan, Angola and the prospect of a Vietnamese pullout from Cambodia. He said nothing about Central America.

He heaped praise upon Mikhail S. Gorbachev, the Soviet leader, whom he met five times during his presidency. Mr. Reagan said Mr. Gorbachev had brought about "some internal democratic reforms" and had freed political prisoners.

"My view is that President Gorbachev is different from previous Soviet leaders," Mr. Reagan said. "I think he knows some of the things wrong with his society and is trying to fix them. We wish him well."

Except for general comments about the economy and superpower relations, the speech was largely devoid of references to specific issues or problems facing the United States.

Instead, it was a speech of the kind Mr. Reagan has always felt most comfortable with on formal occasions — a celebration of American values and a denunciation of what he perceives as the excesses of government.

The speech also included a nostalgic passage in which the president seemed to balance his desire to return to California with a reluctance to leave the White House.

"People ask how I feel about leaving, and the fact is, parting is such sweet sorrow," Mr. Reagan said. "The sweet part is California and the family and freedom. The sorrow? The good-byes, of course, and leaving this beautiful place."

He said his presidency had largely achieved its goals of restoring American initiative and confidence but disputed the view that these accomplishments and his popularity were the product of his skills as "the Great Communicator."

"I never thought it was my style or the words I used that made a difference — it was the content," Mr. Reagan said. "I wasn't a great communicator, but I communicated great things."

Mr. Reagan concluded by returning to one of his favorite comparisons, used often in his 1980 and 1984 presidential campaigns: He described America as "a shining city upon a hill," a phrase borrowed from a sermon delivered by John Winthrop, an early American colonist, aboard a ship en route to the New World.

### Reagan Advice: Go Fast, Bush

The Associated Press

WASHINGTON — President Ronald Reagan had some advice for George Bush, but the president-elect was not around to hear it.

After presenting congressional gold medals to Nathan Shtrusky, the former Soviet dissident, and his wife, Avital, Mr. Reagan was asked Wednesday by a reporter if he had any advice for Mr. Bush as he prepared to take over the presidency.

Mr. Reagan looked around, noticed that Mr. Bush, who attended the ceremony as vice president, had already stepped outside, and replied: "Keep on doing what he just did. Get out of the room first."

## In This Quacky War, Ducks Hold the Edge

By Jeffrey Schmalz

New York Times Service

ST. AUGUSTINE BEACH, Fla. — It was duck against woman, woman against duck, a desperate struggle best described by the police report:

"P. Van Marter grabbed said duck by the throat and attempted to break its neck. She stated that she then picked said duck up by the neck and swung said duck into a nearby tree. The duck then charged at P. Van Marter."

The duck won.

Phyllis Van Marter had tried her best, even engaging "in hot pursuit" into a nearby lake. But she was no match for the Muscovy, which simply swam away.

Thus ended another skirmish in the battle between man and duck that for more than a year has all but consumed this town of 3,000 people.

It began in the fall of 1987, when the Muscovy duck population exploded in the well-to-do Woodland area — to 200 from 30 or so.

A resident who had controlled the Muscovy population on the neighborhood's lake by destroying their eggs had moved away, and no one had been designated to take over the role.

Some neighbors complained that the ducks were an eyesore because they acted like a bunch of animals, leaving their droppings everywhere and making in public. Others said the ducks were vicious.

Ms. Van Marter's fight with the duck began, she said, when it went after her 6-year-old granddaughter.

Other residents agreed that the number of ducks should be reduced, but felt that they lent charm to the community. They pointed out that the neighborhood had put up with mallards, the far more common kind of wild duck, from which domestic ducks are descended and that, unlike the Muscovies, are protected by federal and state laws.

If people could put up with mallards, they argued, they could tolerate the Muscovies.

And so the battle lines were drawn in a great duck war. Residents are now either "anti-ducks" or "pro-ducks."

The dispute has become fierce. Some residents say they have seen cars being driven into people's yards to run down ducks. The head of the police, Marshal Arnold M. Bandy, has assigned officers in marked cars to patrol the area and look for duck attackers.

Meetings of the City Commission have focused on for hours as first one group and then another read from dictionaries and textbooks about the

pluses and minuses of Muscovies.

In the latest incident, at least two ducks were found mutilated, one or both of their legs chopped off. Mr. Bandy says he suspects turtles were the culprits. But pro-ducks suspect anti-ducks.

"It's crazy, it's lunacy, it's out of control," said Pete Dodson, a city commissioner who is chairman of the five-member ad hoc Duck Committee. "It started out as a duck problem, and now we have a people problem."

At first, the city manager simply hired a person to remove the Muscovy ducks. But he got into trouble: St. Augustine

"It's crazy, it's lunacy, it's out of control. It started out as a duck problem, and now we have a people problem."

Pete Dodson, a city commissioner.

Beach long ago enacted legislation declaring itself a bird sanctuary, and birds cannot be run out of town without cause.

So the City Commission then formally voted to declare the Muscovies a nuisance, and more than 150 of them were shipped to rural areas. The Duck Committee agreed to keep nine Muscovies.

But now, some want all the Muscovies removed. Others say that more than nine of them are still around. Night and day, commissioners and residents can be seen prowling near the lake, counting ducks.

The dispute has drawn national attention, and the community has heard all the jokes: that the victims of the hit-and-runs were "sitting ducks," that theirs was "murder most fowl," that the town is "all quacked up about it."

But this is serious business. Just ask a handler who was called in to remove the ducks. The police had to provide an escort after he had been surrounded by pro-ducks.

The police blotter mirrors the town's preoccupation, with such headings as "Muscovy duck attack" and "Disturbance (Concerning Ducks)." This is a town that greets visitors not with the sign "Welcome," but with one saying "Bird Sanctuary."



A CORDIAL TRANSITION — Nancy Reagan, right, and Barbara Bush, present and future first ladies, meet to tour the White House.

## In U.S. Poll, The Cap Blows on an Old Mexican Feud

By Larry Rohrer

New York Times Service

WASHINGTON — A national survey has found that blacks and whites are "worlds apart" in their perception of race relations, with a majority of whites believing that blacks are treated equally and a majority of blacks disagreeing.

Louis Harris, the director of the survey, whose results were issued Wednesday, said he had found major reasons for optimism about race relations in some responses to the poll.

He cited, for instance, a decline in white opposition to school busing (from 76 percent in a 1967 survey to 54 percent in this poll) and in white feelings that blacks were trying to move "too fast."

But he said that while there were substantial areas of white and black agreement on perhaps a third of the issues covered, there remained a "big gulf" on the remainder.

The survey was commissioned by the NAACP Legal Defense and Education Fund and conducted by telephone among 3,123 adults during the summer.

The conclusion of substantial racial disagreement over how blacks were treated generally was extrapolated from sharp differences in responses to questions about specific issues.

For instance, whereas most whites surveyed felt that blacks received equal pay for equal work, a similar majority of blacks disagreed.

On a question dealing with unskilled labor, 67 percent of whites agreed that equal pay generally prevailed, and 66 percent of blacks disagreed.

Similarly, 61 percent of whites rejected the notion that the criminal justice system treated blacks unequally, a statement that found support among 80 percent of blacks.

Nonetheless, Julius Chambers, director-counsel of the Legal Defense and Education Fund, said, "There is compelling evidence that the public is ready to get on with the business of attending to many of the race relations issues that have not been addressed during the past eight years."

He was referring to, for example, the 53 percent of those surveyed, both black and white, who said "more" should be done to promote greater equality for blacks and other racial minorities.

### BUSH: 2 Positions Filled

(Continued from page 1)

his efforts to persuade young people to give up drugs.

"I'll let him refer to anything on his personal habits and I'll give equal time to all the smokers in the room," Mr. Bush said. "He will do a superb job in fighting drugs."

Mr. Watkins, 61, was a nuclear submarine commander before becoming chief of naval operations under Mr. Reagan until 1986. More recently, he headed a presidential commission on AIDS.

He is considered an authority on nuclear warfare. The Energy Department faces the nation's aging and increasingly unsafe nuclear weapons plants.

Mr. Bush apparently had difficulty filling the jobs. On the energy post, aides suggested that Mr. Bush vacillated between naming a person from an oil-producing state and one with experience in nuclear energy.

Before choosing his cabinet, Mr. Bush pledged to include women and minorities. It will comprise 13 men and one woman, Elizabeth Dole at the Department of Labor. There is one black, Dr. Louis W. Sullivan, who will be head of the Department of Health and Human Services, and two Hispanics, Lamo Cavares as education secretary and Manuel Lujan as interior secretary.

The Bush team is generally regarded as a Republican establishment group that is nonideological and pragmatic.

With the dramatic arrest Tuesday of the powerful leader of Mexico's Oil Workers' Union, the long-simmering feud between President Carlos Salinas de Gortari and the country's restless labor unions has erupted into virtual open warfare.

For years, Mexico's major labor unions have operated almost as independent fiefdoms under the control of bosses like Joaquin Hernandez Galicia, who was taken into custody after a gun battle at his headquarters in northeastern Mexico.

But even before Mr. Salinas took office last month, he had made it clear that he intended to reduce the power the unions have traditionally wielded both in the economic realm and within the governing Institutional Revolutionary Party.

The swiftness of the head-on challenge to the oil workers stunned allies and adversaries of the government alike. Mr. Salinas has long fought the union as a corrupt and inefficient industrial dinosaur. He has maintained that its hold over Mexico's largest export industry has enabled it to exact an expensive tribute.

No single union has been more threatened by Mr. Salinas' pledge of "modern politics" than the oil workers and Mr. Hernandez.

Oil accounts for about 40 percent of all Mexican foreign exchange earnings, and over the years the union has accumulated an extraordinary number of privileges, including control of contracts let

## A Call to End Embargo in Nicaragua

By Stephen Kinzer

New York Times Service

MANAGUA — Leaders of the political opposition in Nicaragua are almost unanimous in urging the United States to end its four-year-old trade embargo against the Sandinista government.

"The embargo was a mistake from the beginning," said Carlos Huembes, who heads the Democratic Coordinator, Nicaragua's main anti-government coalition. "The new administration in Washington should dump it."

Under the embargo, no U.S. goods other than medicine and certain other items considered humanitarian may be shipped to Nicaragua.

Its effect has been felt by owners of farms and factories, many of them private entrepreneurs who rely on U.S. replacement parts.

Consumers long accustomed to a variety of U.S. products, have been forced to change their habits. But economists say the true effect of the embargo has been modest. Many spare parts can be bought from other Western countries, and those available only in the United States are imported through companies in Panama and elsewhere.

At hard currency stores now functioning in most Nicaraguan cities, shelves are lined with Campbell's soups, Kleenex, Oreo cookies and a host of other U.S. products. Customs agents at U.S. airports have periodically confiscated small amounts of goods being carried to Nicaragua by tourists. Agents at the Mexican border have detained several caravans carrying supplies donated by private groups. But whenever a U.S. item is needed in Nicaragua, it is easily obtained.

No other country observes trade sanctions against Nicaragua. Much of the business once conducted in Nicaragua by U.S. companies is being done by companies from Canada, Brazil, Japan and other countries.

In 1984, the last year before the trade embargo was imposed, 17 percent of Nicaragua's foreign commerce was with the United States.

"The embargo has had no practical effect," said Gilberto Cuadra, who heads Nicaragua's largest business federation. "I don't even know if there really is an embargo. Everything seems to get through. It just costs more."

Partly as a result of these measures, the economy is indeed in ruins, but the ultimate goal of depositing the government seems no nearer than before the embargo.

## Bush Vows Backing For Angolan Rebels

By David B. Ottaway

Washington Post Service

WASHINGTON — In what appears to be his first foreign-policy commitment, President-elect George Bush has written to Jonas Savimbi, the Angolan rebel leader, to assure him of continued U.S. military and diplomatic backing until the Angolan government reaches a political settlement with him.

The letter, dated Jan. 6, also commits the Bush administration to press for agreement between Mr. Savimbi's National Union for the Total Independence of Angola (UNITA) and the Angolan government.

"I also want to assure you that American diplomacy will continue to encourage African and other interested governments to provide maximum support to a process of negotiation leading to national reconciliation in your country," Mr. Bush said.

"Until that objective is achieved, my administration will continue all appropriate and effective assistance to UNITA."

A Bush aide made it clear that that means a continuation of covert military aid for Mr. Savimbi, which

has been running at about \$15 million annually since 1986.

"It's a policy that has worked," said Stephen Hart, a Bush press spokesman. Support for Mr. Savimbi is consistent with Mr. Bush's backing for U.S.-supported contra rebels in Nicaragua and the anti-Communist resistance in Afghanistan, Mr. Hart said.

Mr. Hart credited U.S. aid to Mr. Savimbi with helping to bring about the accord signed Dec. 22 by South Africa, Angola and Cuba that provide for a phased withdrawal of all Cuban troops from Angola and independence in neighboring South-West Africa, also known as Namibia.

The letter appears to commit the Bush administration to a continuity of policy in one of the Third World's major conflicts and to establish as a condition for its end an internal political settlement in addition to the withdrawal of Cuban troops from Angola.

The letter was made available to The Washington Post just as the first Cuban troops left Angola and President Jose Eduardo dos Santos urged UNITA rebels to stop fighting.

"We would like Savimbi and UNITA to end its war because it is a senseless war," Mr. dos Santos said Wednesday in Luanda at a news conference attended by the Reverend Jesse L. Jackson, who was a candidate in the U.S. presidential primaries last year.

Mr. dos Santos also called upon the United States to establish diplomatic relations with his government, saying "formal ties would benefit both," and "we each have something to offer each other."

The Reagan administration, which like the two previous administrations refused to establish ties with Angola, in part because of the Cuban troop presence, has never made clear its conditions for establishing such relations.

A U.S. official said Wednesday that the scheduled departure of 50,000 Cuban troops has removed "a major impediment" to diplomatic relations, but added that "our relationship is not going to change" until the Angolan government makes "some positive movement" toward national reconciliation. "So far, that hasn't happened," he said.

Moscow Police Arrest Tatars

MOSCOW (Reuters) — The police broke up a demonstration by Crimean Tatars on Thursday, detaining about a dozen people who had unfurled protest banners near the Kremlin. The demonstrators were demanding the right to return to their homeland on the Black Sea peninsula.



# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Poison Gas: More to Do

Ridding the world of chemical weapons, George Bush declared in his campaign for the White House, would be a top priority of his presidency. With two very small steps this week in Paris and in Bonn, the Reagan administration has pushed matters along. It is now up to Mr. Bush to overcome the still substantial obstacles to a new and tougher treaty banning the scourge of chemical war.

In Paris, an international conference ended Wednesday with a call for accelerated effort to ban production and possession of chemical arms. The 1925 Geneva protocol only banned first use. The Paris resolution, though nonbinding, helps focus governments' attention on chemical arms and their spread through the Middle East in the wake of the Iran-Iraq war.

The conference failed, however, to establish tighter export controls on technology and material for chemical arms and sanctions against nations that use them. President Mitterrand of France, the main sponsor, preferred consensus on the question of a ban to taking on these tough issues.

But U.S. diplomats have made some headway on these topics in Bonn. The West German government, which has spent all week denying that its chemical companies helped Colonel Moammar Gadhafi build his new chemical weapons plant, announced it would impose new export controls anyway. It may be that the White House's threat of military action against the Libyan plant has helped jolt supplier nations into better policing their chemical companies.

Many hurdles still stand in the way of

a new treaty. The United States and the Soviet Union both maintain large stockpiles of chemical arms. An agreement to ban production and destroy stockpiles would have to include stringent means of verification.

This will be an exceedingly difficult task. It is easy to produce chemical weapons in ordinary chemical factories, and to avoid detection of existing bombs and shells containing chemicals. Though necessary, imperfect, it is up to the negotiators to work out adequate means of verification.

A complete ban on these weapons with real risk of detection for violators would be far better than the present situation. As matters now stand, these weapons can be produced with impunity.

Moscow and Washington had already moved much closer in their negotiating positions on chemical arms before the worst horrors of chemical use became evident in the Iran-Iraq war. Though both sides were probably guilty, Iraq in particular used chemicals as routine battlefield weapons. Its lack of remorse for resorting to such savagery was evident in the behavior of its delegate to the Paris conference, who passed the time working his crossword puzzle.

The Paris conference failed to specifically condemn Iraq or other countries that have acquired chemical weapons capability like Libya and Syria. It did reaffirm taboos on their brutal form of warfare. In so doing, it might help Mr. Bush find support from other countries for tough measures on export controls, verification and sanctions against use.

—THE NEW YORK TIMES

## The North Case Goes On

The Oliver North affair requires the services of a full-time journalist. The American political and judicial systems are both full of balancing devices meant to guard against arbitrary conduct on the part of governmental officials. At bottom, Mr. North is on trial for having been contemptuous of and having ignored one set of these procedural safeguards while serving in the White House.

Yet now, because of procedural niceties of another kind, some of the charges against him are being dropped. In a broad sense he is taking refuge in what he trumpeted. Some of his sympathizers who might normally be impatient with the fine points of the democratic process and due process are now pleased at their results. Meanwhile, people critical of Mr. North precisely because he was dismissive of these fine points are angry because the rules and his aggressive lawyer are helping him get off. More asinine, please.

The broad charge that Mr. North engaged in a conspiracy against at least a part of the United States government outside the law is being dropped because the independent counsel needed for prosecution, and Mr. North wanted for his defense, documents that high officials of the administration refused to declassify. Some people have professed to see a conspiracy in this — the administration using the cloak of national security to give Mr. North indirectly a free pass it does not want to give him directly. There is no way of putting such a suspicion completely to rest without seeing the documents, but even so a number of checks exist. The prosecutor has not complained of overclassification, nor has the judge in the case, nor have any of those in the Congress with genuine knowledge of what is involved. We would like to know a lot more about these documents, and possibly the congressional intelligence committees can sooner or later perform the useful

function of at least summarizing their contents and telling us some of the things that they do not say. But at this point, our inclination is to believe that the national security defense has been fairly invoked.

So the question is, what has been lost? The basic "enterprise" in which Mr. North was engaged, and for which he is now being tried, was a rogue foreign policy. We do not mean by that that he was alone in conducting it — who among his superiors knew how much, and when, is one of the continuing mysteries of this affair — but that it was conducted outside the normal governmental framework and, at least to some extent, against and in defiance of the stated will of Congress. The broad conspiracy charge that the independent counsel has now asked the judge to drop best described this affront against the system. That is why some people say the heart has gone out of the North case. They wanted the word to go out unmistakably that enterprises of this kind are wrong and that future officials will engage in them at their peril.

But the criminal process may not be the right way to send that message, and the remaining, narrower and more specific charges may serve to send it anyway. It would trivialize this case to have Mr. North end up convicted of converting to his own use a traveler's check from a leader of the contras and no more. That is one of the charges remaining. But most of the remaining charges involve lying to Congress or other investigators to protect the enterprise, whose very nature — and fundamental defect — was that it could not survive exposure. The covering up of what was being done is not a trivial matter; it is, in fact, the whole matter. The issue is still clearly joined; the case goes on.

—THE WASHINGTON POST

## Penny Wise, Tax Foolish

There is a lot of wishful thinking in every presidential budget, and even more when the president is about to leave office. Now President Reagan proposes that the Internal Revenue Service charge a fee for the phone-in tax help it now provides free. The IRS could save time and expense by ditching the plan after Mr. Reagan leaves town.

The president's fondness for dispensing new taxes as user fees is well known. Some user fees are valid. But the idea of a fee for tax advice is willfully puzzling taxpayers makes no sense at all. The plan, a single sentence deep inside Mr. Reagan's budget message, is to start charging for telephone assistance in 1991, after a "design evaluation." But it should require no two-year study. Surely the current free service generates far more in compliance than could ever be raised by a nuisance fee.

Moreover, the IRS admits that its answers are often wrong. The concept ought to collapse on that point alone: What would be the fee for misinformation? How would

the fee-payer know if he was getting his money's worth? Maybe there could be a modest charge for taxpayers who do not much care, with a premium fee for those who insist on the right answer and rebates when it is wrong anyhow.

And how would the fee be collected? One way would be to dispense the advice through one of those "900" numbers — dial-a-fax — that charge a dollar or more per minute. Alas, tax preparation expenses are not as deductible as they used to be, so conscientious taxpayers may have to foot this gorge from their own pockets. The cost-conscious may figure it is cheaper not to bother.

Tax collectors do not win many popularity contests, but the IRS does try to be as user friendly as its role permits. Congress passed a Taxpayer Bill of Rights last year to make it friendlier. Fees for conscientious callers who want to be sure to pay what they owe would be the ultimate triumph of federal penny-punching over good sense.

—THE NEW YORK TIMES

## Other Comment

### Progress on Chemical Arms

Ministers from 149 countries took five days out of their busy schedules to go to Paris to talk about a worldwide ban on chemical weapons. That so many countries took the trouble to be represented in Paris was a hopeful sign. More hopeful still was the adoption of a declaration of intent which all delegates could endorse. It is not the unambiguous document that might have been agreed by a majority of those attending, but the same can be said of many

an international declaration. Nor does it yet provide, or even envisage, legal sanctions against those nations that might see fit to produce or even deploy chemical weapons. It does, however, reinforce past and present international condemnation of chemical weapons as an unacceptable means of conducting war, and should give additional impetus to the movement toward a global ban on their production and use. That is a commendable achievement for so diverse a gathering and a tribute to the organizers.

—The Times (London)

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## The Reagan Economy: A Study in Conviction

By Robert J. Samuelson

WASHINGTON — I have never liked the term "Reaganomics." It was a catch phrase used by President Reagan's friends and foes alike to mean whatever they pleased. For both, it signified something new — either wonderful or terrifying. — Mr. Reagan had no new theory. His economic success rested on an old truth: Private enterprise works. As Mr. Reagan leaves office, it is important to get this straight.

He understood (as many economists do not) that private enterprise is the economy's central engine of growth. The quest for bigger markets and profits spurs expansion, innovation, efficiency. This being so, Mr. Reagan strove to create a climate in which private enterprise could flourish. Ending double-digit inflation was essential, because it subverted growth. People and businesses could not plan for the future. Quite naturally, Mr. Reagan supported the Federal Reserve's tough anti-inflation policies that led to the deep 1981-82 recession.

Part of the public's mystification with Mr. Reagan stems from a sense that he did not earn his success. It was too effortless. After high inflation was broken, he seemed almost a casual observer to the ensuing six-year recovery with its 16 million new jobs. What is misunderstood is that Mr. Reagan chose not to meddle.

Every president for the previous 20 years had actively pursued "full employment." There was a feeling that the economy would not work properly unless government "managed" growth. The result was a series of overly expansionary policies (featuring low interest rates) that ultimately created double-digit inflation. Mr. Reagan rejected such activism. Activists assumed that private business needed stimulating. Mr. Reagan assumed that business would grow if obstacles, mainly inflation, were removed.

He demonstrated that less is more. It is not that the government's main economic tools — changes in interest rates, taxes or government spending — are irrelevant. They can help prevent great depressions or runaway inflation. But trying to use them to avert every recession or to squeeze a little extra growth from the economy is excessively ambitious. Such efforts have done more harm than good.

Sadly, this message was obscured by Mr. Reagan's major failure: the budget deficits. Yes, the federal debt has nearly tripled since 1980, to more than \$2.6 trillion. Some of Mr. Reagan's prosperity was borrowed from the future.

But his critics are wrong to argue that this failure discredits his entire performance. It is not true, for example, that the budget deficits created the Reagan recovery. The budget deficits contributed mostly to big trade deficits. As a nation, Americans were overspending. Most of the extra demand was satisfied by imports; they covered the gap between Americans' production and purchases. Nor will the budget deficits inevitably cause a future economic crisis. Predictions of catastrophe are usually overblown.

If Mr. Reagan's critics exaggerate, so do his supporters. They brag that the recovery vindicates "supply-side economics." Mr. Reagan did cut the top personal tax rate from 70 to 33 percent, as the supply-side approach urged, but this did not unleash a burst of economic growth. In the current recovery, the growth rate of the economy has been about equal to the average of previous postwar recoveries. One reason the recovery has lasted so long is that it came after the worst recession since World War II. With unemployment near 11 percent, there was room for expansion.

President Reagan listened to economists' views when it suited him. Otherwise, he trusted his instincts. The president's strengths and weaknesses as an economic manager came from a single source: his conviction that government is the cause

of most problems, not the solution.

This made Mr. Reagan effective in fighting inflation and ineffective in dealing with the budget deficits. He simply could not concede the permanence of big government or face the basic deadlock: Americans' desire for government services exceeds their willingness to pay. And finally, Mr. Reagan's prosperity did not reduce long-term poverty (though no one really has a solution for the underclass).

So forget Reaganomics. Mostly, Ronald Reagan taught us about economic growth. Government does not create it. Private enterprise remains vital. Government policies permit, distort or discourage growth. Especially discouraging are high levels of inflation. It will be a pity if these basic lessons are not learned.

The Washington Post

## A Few Billion Reasons Bush Can't Avoid a Tax Hike

By Jerry Knight

WASHINGTON — No new U.S. taxes. If you believe that, your lips move when you yawn.

There are so many inescapable reasons why taxes will have to be raised during the Bush presidency that only a politician could say otherwise, let alone believe it. The reasons start with Ronald Reagan. In eight years in the White House, he managed to put off until tomorrow more than \$200 billion worth of things that could have been done cheaper today, yesterday or even a decade ago.

The price of procrastination will be paid in Mr. Bush's credibility and in taxpayers' money. The savings and loan bailout and the nuclear plant cleanup — the two biggest overruns still hanging over Washington — could have been paid at half the price had they been fixed when they first began.

But facing up to fiscal reality would have made it impossible for President Reagan to deliver on his promises. One advantage of being limited to two terms in the White House is that you can get out of town before your rhetoric catches up with you. You can see that phenomenon in the final Reagan budget, submitted this week, which projects spending \$900 million on cleaning up nuclear weapons plants and \$16 billion on savings and loans.

The \$900 million is described as a down payment on the nuclear mess. A drop in the bucket is more like it. When you're facing what the undersecretary of energy, Joseph Salgado, said last year is a \$100 billion job, budgeting \$900 million is a farce.

It is not as if the nuclear waste problem just happened; the Energy Department has been burying it, literally, for years. For the last eight of those years, the president-elect was part of the team that went along with the coverup. And remember that the \$100 billion price tag on nuclear cleanups was

the Energy Department's estimate. Outsiders put the cost as high as \$175 billion.

The nuclear cleanup problem is like the savings and loan scandal: Lack of government action caused it, bureaucratic delays have made it worse, and nobody really knows how much it will cost. There is one important difference: Congress was kept in the dark about the nuclear mess, but the lawmakers buried their own heads in the sands in which the S&L industry became entrapped.

The predictable escalation of the cost figures is what makes these two budget-busters so much

### The S&L bailout and nuclear cleanup won't come cheap.

alike. Barely a year ago, people were talking about a \$50 billion bailout for the insolvent savings and loans and crooks in the savings and loan business. Month by month the numbers have ratcheted upward. Now the consensus is about \$100 billion — assuming the economy holds up and the Federal Reserve holds down interest rates.

But the Reagan administration's final budget calls for spending \$16 billion on S&Ls this year and \$9 billion next year on the way to a final cost of \$80 billion. Some of that will come from the special taxes S&Ls pay to the Federal Savings & Loan Insurance Corp., but no one knows how much the taxpayers will have to cough up.

When FSILC was playing S&L Santa Claus the

week after Christmas, the official line was that taxpayer money was involved. Of course, that did not count the billions in tax breaks available to an unprofitable S&L was bought — taxes normally else has to pay. In any case, there is barely enough money in the FSILC coffers to meet the payroll. The bailout money will have to come from new taxes.

One reason the S&L bills do not best the budget is that government loan guarantees are considered a non-cost by federal budgeters. Only when a guarantee is called does it show up on the budget, and by then nothing can be done to control the cost. A group of lawmakers is complaining that this unsupervised spending is unconscionable.

What they are worried about is already happening at the Farmers Home Administration, which has run up losses amounting to \$36 billion of its \$90 billion in loans, according to the General Accounting Office. Other federal agencies have more than \$500 billion in loan guarantees outstanding. If losses on these loans start to mount, that will be another reason for new taxes.

And then there is George Bush's campaign promises. He promised to be the "education president," and that will cost money. He talked about a child-care tax credit that would cost \$2.2 billion, and breaks for oil explorers that would cost \$600 million and \$300 million for college savings accounts.

Each of these cost figures is so flaky that trying to add them up produces an estimate comparable by a country by, added to a worst-case scenario, and multiplied by hypochondria. But they are all going to cost money, money that can be raised without raising taxes. The next time somebody says, "No new taxes," tell them to read my list.

The Washington Post

## In the Stretch, This Race Horse Showed Signs of Age

By William Safire

WASHINGTON — Silky Sullivan, the race horse, used to thrill his fans with a come-from-behind rush in the homestretch — sometimes. I used the analogy of Sullivan's unpredictable finish in rooting for Ronald Reagan in the primaries of 1976 and 1980, when the principled Californian was challenging the Republican Establishment.

West Ronald Reagan like Silky Sullivan on a good day? Let's see. In domestic affairs, Mr. Reagan was at his peak when his poll rating was lowest, in the depths of the '81-'82 hard times. Mr. Reagan's recession, made deeper by his refusal to use fiscal stimulation, was the harsh cure required by feverish inflation.

Mr. Reagan exuded optimism and confidence through the pain, until the breaking of inflationary expectations and the long-range stimulus of his tax cut propelled the economy to its recovery and years of stable growth. In politics, you do not take credit for a recession (you blame the Federal Reserve) but in history, you get credit for imposing austerity to right the ship.

Although Reaganomics gave voodoo a bad name, the decision to slash tax rates rejuvenated free enterprise. Liberal critics grump that

the cuts were the cause of the unprecedented deficit, but the fact is that the cuts stimulated growth to bring in more tax revenues, as supply-siders predicted.

On defense, Mr. Reagan continued a buildup begun by the last Republican president, Jimmy Carter. But Mr. Reagan would not expand the political capital of his popularity by trying the compensating domestic cut, like Lyndon Johnson, but on a grander scale, he preferred red ink to a hard choice between guns and butter. A Democratic Congress shares the blame, but the Reagan refusal to reduce the rate of spending increase burdened the coming generation with a whopping cost of debt service.

In his remarkable first term, Mr. Reagan came up with the idea of an end to the outmoded "mutual assured destruction" and put forward his plan for a shield against nuclear missiles. Though pooh-poohed as "star wars" by the arms control crowd, the Strategic Defense Initiative helped force new thinking in the Kremlin, which had stolen a march on offensive military. Mr. Reagan refused to give up the ability to test during the all-night caperboat at

Reykjavik, and now that we see West German death-dealers making missile technology available to terrorist states, the concept of a rudimentary shield in place within the next decade looks all the more prudent.

Hard-liners were proud of Early Reagan, with his rejection of America's hide into a Law of the Sea Treaty, which would have socialized the sea bottom; we were gratified by his willingness to use military power in small doses in Grenada and Libya, and were moved by his personal grace under fire; we were elated at the "evil empire" rhetoric, because it brought moral pressure to bear on international mischief-making in Afghanistan, Nicaragua, Angola and the Middle East, as well as within the Soviet Union.

Then came Late Reagan: a 1984 campaign of insipidity, followed by the tolerance of sleaze, a distancing from decision-making, a softhearted decision that hostages could be ransomed with arms and nobody would notice, and a late front on the imagery of peacemaking to ensure his place in history. One result of this debilitation was his love affair with Mikhail Gorbachev.

In Mr. Reagan's late-life crisis, personality swallowed policy. Like the failing Roosevelt with "Uncle Joe" at Yalta, the American president saw himself and his Soviet counterpart as individuals of personal charm and power able to keep historical changes under control as temporary leaders of makeshift movements able to make adjustments to lessen tension.

He professed to see in Mr. Gorbachev's eyes an end to the Soviet goal of world dominance; in the final fortnight of his presidency, as the official spokesman of the Soviet Union accused the United States of "state terrorism," the out-of-it Reagan was loudly insisting that the incendiary charge had not passed the lips of Mr. Gorbachev.

We assess leaders in the light of other leaders. Mr. Reagan's reputation was enhanced because he was not the luckless Johnson, the mysterious Nixon, the fumbling Ford, the hapless Carter. But neither was he Silky Sullivan on a good day, closing with a rush.

Realistic historians will remember Ronald Reagan as a near-great first-term president — who tired and faded in the stretch.

The New York Times

## Of Course, Israel Wants Peace; but Has the PLO Really Changed?

By Moshe Arad

The writer is Israel's ambassador to the United States.

state at its outset, and God willing, it will be large and expand to the east, to the west. . . . About three months ago, I was calling for the one-shot liberation of Palestine. I was a fool. I am interested in the liberation of Palestine, but how? Step by step.

On Dec. 21, Sheikh Abdelhamid Sayeh, president of the Palestine National Council, told another Kuwaiti

### Arafat continues to show a capacity for double-talk.

paper: "The liberation of all of Palestine must be the aim of all of us. We must take, and ask for more, without concession. We are acting to acquire what is possible in this stage, and will demand more afterward." Mr. Arafat now supposedly speaks of Israel's right to exist, yet in a Nov. 7 interview in Time magazine he said, "We are opposed to a Zionist state; Zionism is a racist movement, according to a UN resolution." He still invokes all "relevant" UN resolutions on the Middle East, including the infamous "Zionism is racism" canon and its attempt to undercut Israel's legitimacy.

Why quibble over semantics and details? Why not just talk with the PLO? Because so-called semantics and details go to the heart of the issue. Israel is not being asked to attend an open-ended negotiating session with a partner who has demonstrated no good faith. It is being sold a package of goods, making the withdrawal of Israeli forces and the establishment of a Palestinian Arab state, with Jerusalem as its capital, prior conditions to the convening of an international

peace conference under UN auspices. Does that constitute acceptance of UN Resolutions 242 and 338? Neither speaks of a Palestinian Arab state nor of such an international conference.

What of the PLO's dangerous insistence on the applicability of other UN resolutions, which could include the original partition plan's call for indefensible borders; the right of return of Palestinian Arabs to Israel; the labeling of Zionism, the Jewish people's national liberation movement, as racism; and the calls for economic and political boycotts against Israel?

And what of Mr. Arafat's announcement that a Palestinian state would be demilitarized only if Israel were to demilitarize and that a corridor, necessarily bifurcating Gaza, must link the West Bank and Gaza?

What we have is new packaging designed to appeal to an American, not an Israeli, audience. Inside is the old product: an attempt to ensure, by stages, Israel's disappearance. This deception will not deter Israel from continuing to search for a peaceful resolution to the Palestinian issue and to the broader Arab-Israeli conflict. But we cannot pursue the path of false peace with disingenuous partners.

No nation yearns for peace and tranquility as much as my own, perhaps because we have never known a day of true peace. Still, we cannot, we shall not, join in the temptation to appease the PLO because of weariness over the conflict. The lessons of Europe's failed attempt to appease Hitler ought to remain instructive.

And no nation, I believe, has risked more to achieve peace than Israel. We accepted the 1947 UN partition plan, though it reduced the original League of Nations-mandated Jewish homeland to a small part of its original area; we signed a peace treaty with Egypt

whereby we relinquished the strategic depth of the Sinai, together with oil fields and oil fields, estimated to have cost our country \$20 billion; in the Camp David accord, we recognized "the legitimate rights of the Palestinians" and endorsed a plan for Palestinian autonomy, transitional arrangements and final status talks.

Israel and Egypt have shown that peace is a viable alternative to war. We Israelis remain eager to talk peace with our other Arab neighbors and with representatives of the Palestinian people. We insist that the violence end. The government of Israel is now considering elections in the West Bank and Gaza to permit a representative leadership of the indigenous

### 100, 75 AND 50 YEARS AGO

#### 1899: French 'Spy' Held

BERLIN — M. Dreyfus, a French engineer and reserve officer, was arrested in Strasbourg for entering the Reichsland without a passport. As a note book was found on him, containing, it is said, sketches of the city's fortifications, he is to be prosecuted for high treason — a crime which, according to German law, may be committed by a foreigner as well as a native.

#### 1914: Refugees' Distress

NEW YORK — A telegram from Prusid states that six Mexican soldiers, 2,800 Mexican Federal soldiers, and 15,000 civilian refugees are in the custody of the American border patrol as the result of the evacuation of Ojinaga [Jan. 11] following the approach of General Pancho Villa. The distress among the refugees is intense. Food is scanty, and there is no shelter. Men, women, and children, dogs, chickens, and cattle are packed together

#### in a space covering several acres. All are drenched from wading the river.

#### 1939: Rome Talks End

ROME — Wide divergences between British and Italian viewpoints were admitted in British circles. To have shown themselves in the forefront of talks between Signor Mussolini and Mr. Chamberlain, the second and last of which was held yesterday [Jan. 12], it had been expected and that nothing had been lost by the exchange of the views. A suggestion that the talks might be summed up as "no concessions on either side" was deprecated by a British spokesman as "too cheek" in that it did not do justice to the fact that neither side sought concessions. The argument is that understanding of each viewpoint rather than attempts to change this viewpoint was the chief motive of the visit and that from this standpoint it must be considered to have achieved its purpose.



## OPINION

At Kawere, Few Teachers  
But a Real Thirst to Learn

By Anthony Lewis

MUTOKO, Zimbabwe — Turn onto a dusty dirt road, go a mile or two past small cornfields and round peasant huts, and you come to a group of brick buildings set about with shade trees. At the gate a sign says Kawere School, and another: Knowledge Is Power.

This remote place is an example of one of the most remarkable achievements of any country in Africa or elsewhere in the Third World: the explosively rapid development of education.

Zimbabwe, in south-central Africa, became independent only in 1980. The white government in power before then devoted its resources mainly to the white population, which was 3 or 4 percent of the total. Black children in rural areas like this did not get much if any education.

In 1980 there were 900,000 children in primary schools in Zimbabwe. Today there are three million. The number of primary schools has more than doubled, from 2,000 to 4,300.

The figures are even more astonishing for high school education. In 1979 there were only 177 secondary schools in the whole country; now there are 1,484. The number of pupils has risen from 75,000 to 650,000.

Mutoko is about 150 kilometers (95 miles) northeast of the capital of Harare, and a culture away in terms of sophistication. It is a scene of peasant farmers working communally owned land.

More than 80 percent of Zimbabwe's nine million people live that way. How has a government with limited resources managed to bring education essentially to all of them? The answer is a combination of the state and local cooperative effort.

Primary education is free, but parents provide the school buildings. In an area that wants a school, parents

put a tax on themselves that is the equivalent of \$20 to \$30 a year. That is not trivial for families whose annual cash income may be as low as \$100. Those who cannot pay do equivalent work instead, like making bricks. For secondary education there is a fee of about \$65 a year.

At Kawere School there have been both primary classes and three years of high school. New buildings are under construction for the high school; the brick walls are up, the roofs still to come.

By the standards of the industrialized world it is all very simple. There are no laboratories, and not many books. A neat, whitewashed privy in back has two doors, marked Ladies and Gents. There are 16 teachers for 645 primary students, 9 teachers for the 250 in high school.

Gibbs Nyanguwo, a 23-year-old who went to the school and is now a teacher, showed us around when we turned up without notice. He mentioned that he had had one outstanding student, a girl, in the top primary class that finished its school year in December.

"If her father had some money," he said, "I would recommend that she go to a [state] boarding school. But he is a peasant farmer, so she will start secondary school here." It is summer now, school vacation time. But there were a lot of children around — digging a peanut field, picking mangoes and taking cans of water from a pond to water vegetables.

Kawere, like most schools in rural areas, has gardens and plants trees. It won a prize last year for its eucalyptus nursery. "Our garden could be better," Mr. Nyanguwo said. "The goats and wild pigs get in — if we could have a fence, it would be beneficial."

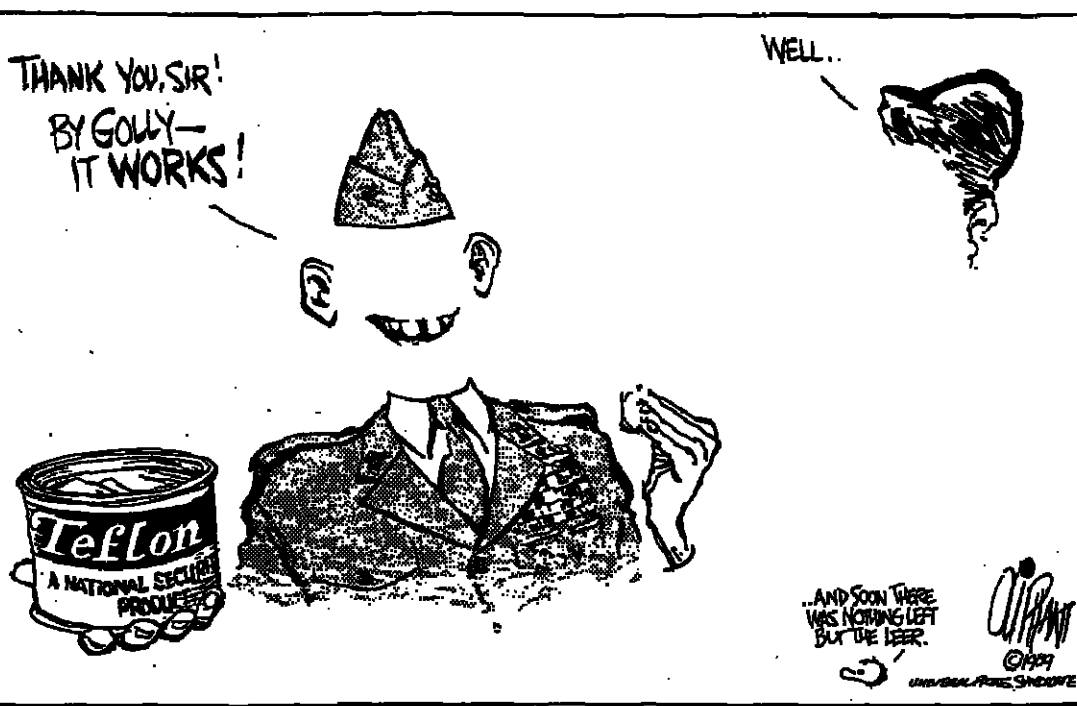
School is a difficult challenge in Mutoko. At home the children speak Shona, their own language. But all teaching in Zimbabwe is in English, even the teaching of Shona. High school students take British O-level examinations, often remote from their experience and culture.

Most students fail most of the O-levels they attempt. Mr. Nyanguwo passed only three of the four he needs to qualify for a regular teaching job, so he is a temporary teacher while he prepares to try again.

In Harare, people complain that educational standards have fallen. It is impossible to find enough trained teachers. The cost of universal education is an enormous burden on the government, taking nearly 20 percent of the budget. Some officials doubt that it will be possible to go on with free primary schools for an expanding population. And there are not enough jobs for the young people leaving school.

Those are serious concerns, worrying ones. But the manifest thirst for education, and the government's effort to meet it, still seemed deeply impressive to me. As we left Kawere, Mr. Nyanguwo said: "We want to do better than this. So come again."

The New York Times



## LETTERS TO THE EDITOR

## On 'Truth,' Orwell's Intent and Eurocentric Education

William Pfaff ("Orwell Might Have Been Surprised," *Opinion*, Dec. 30), tells us that George Orwell's "1984" "basically concerned whether truth exists or whether it is arbitrarily invented by a power-system. Orwell was rather pessimistic about the matter. He apparently assumed that the view that truth is merely an expression of power was likely to prevail in society."

Orwell's own opinion as to the intentions of his novel was quite different. I quote from a letter he wrote to the United Automobile Workers answering questions about "1984." The letter was published in *The New York Times Book Review*, July 31, 1949.

"I do not believe," he wrote, "that the kind of society I describe necessarily will arrive, but I believe... that something resembling it could arrive. I believe also that totalitarian ideas have taken root in the minds of intellectuals everywhere, and I have tried to draw these ideas out to their logical consequences. The scene of the book is laid out in Britain in order to emphasize that the English-speaking races are not innately better than anyone else and that totalitarianism, if not fought against, could triumph anywhere."

Mr. Pfaff kindly points out that Anglo-Saxons used to be more anti-Semitic 75 years ago, that Nazi totalitarianism has now been so discredited that people can "scarcely imagine that millions once took it seriously," and that today, even in the Soviet Union, "truth really has prevailed." But he makes no mention of the cost the world has had to pay for these "truths" to be regained. Our lack of vigilance in maintaining the most elementary rights to individual liberty has resulted in indescribable suffering, and it is such complacency that Orwell decried.

We can never sit idly and wait for the truth to prevail. Neither can we take recourse in the ruins of our Greek heritage, which no doubt has provided us with some interesting methods for defining and measuring ideas of "truth." However, as Bertrand Russell pointed out: "The one-sidedness of Greek genius appears with mathematics: It reasoned deductively from what appeared self-evident, not inductively from what has been observed. For this reason, apart from others, it is a mistake to treat the Greeks with superstitious reverence."

Postmodernism may not have any answers to questions of truth, but its tenets certainly deserve consideration. No one is suggesting that we abandon reason or moral responsibility. All too sadly, we cannot correct the mistakes of our past. But we should consider every other alternative possible before we find ourselves faced with the atrocities of the future. This attitude of a questioning vigilance over individual liberty in our world is the only way we can verify our quest for "truths."

VERA H.E. DE HEN.  
Mougins, France

Mr. Pfaff scolds the critics of the Eurocentric university: "It seems undeniable that we live in a continuity of intelligence and moral responsibility that began with Greek rationalism." Yet Greek rationalism thrived in Periclean Athens, where slavery was the norm and the franchise restricted to a native-born, male minority.

We forget how much of the Greek — Judeo-Christian — tradition we must ignore or shunt aside as peripheral to salvage any claim for its intelligence or moral responsibility. But at their inception, and until successfully challenged,

the most unintelligent and morally revolting aspects of this tradition, like Aristotle's defense of slavery and attack on democracy, or Deuteronomy's injunction to stone adulterers, were every bit as central and essential to the tradition as those sublime ones Mr. Pfaff quotes. It has always been those relegated to the margins — women, slaves, heretics, aliens — who have challenged the tyrannical and inhuman portions of that tradition, as they continue to do today.

WILLIAM LEE  
Fukuoka, Japan

To know only one cultural heritage is to only scratch the surface of the world. Some individuals fear that introducing new cultural concepts muddles the minds of youth. Quite the contrary. Exposure to other modes of thought serves to solidify values and to encourage creative thinking. Students who are solidly grounded in their own culture feel no need to compromise their values when exposed to the thought process of cultures disparate from their own.

Solidification of cultural values belongs in elementary school, but is a shortsighted approach for a university. Our youth need to be exposed, challenged and inspired in order to make them creative, thoughtful, strong and truly moral in a global sense.

BETTY ABU-GHEIDA  
Paris

## Lately, It's Been Ropes

In his column "Gifts of Gab for 1989" (Dec. 5), William Safire says that in America "it rains cats and dogs and... in France it's coming down in ropes." Surely, in France, it rains balcons. Or has there been a change on that front since I learned French?

BRUCE HYLAND  
Nairobi

When 'Good Conversation'  
Was Needed for a Pardon

By Natalie Z. Davis

PRINCETON, New Jersey — Richard Nixon was granted a pretrial pardon some 14 years ago, but President Reagan has decided not to give one to Oliver North and John Poindexter. Still the debate continues on the pardon issue. Would it be fair? Would it be proper? A look at pardons in another time may help us judge what is at stake.

Few people accused of crimes in the United States could hope to be as lucky as Mr. Nixon. Most pardons go

to people appealing or serving out a prison sentence, awaiting execution or seeking a restoration of their civil rights after release.

Not so in ancient regime France. There, many persons hastened to apply for pardon, say, for homicide when their victim was barely cold in the grave. The idea was to flee the scene of the crime, get to a safe jurisdiction and tell one's story to the king's men. Then if one got a royal letter of remission, one could proceed directly to a judicial hearing on pardon rather than risk one's life in a criminal trial.

In the 16th century, as today, it really helped to know important people — someone who would assure the king that you were "of good life and conversation." Even more than today, the pardon tale was the center of attention: an account of the crime in which the humble supplicant showed himself (or herself) to be innocently going about work or play until, provoked by "hot anger," or "surprised by wine," or in fear of his life, he did the victim in.

Knowledge of what was excusable was widespread. Peasants knew what to say as well as gentlemen, even without a lawyer's help. What is more, they filled their stories with details that added to their plausibility. For example, "I was cutting the chicken's throats to make my husband's supper and saying 'Don't be cross, everything will be ready on time' and he came to hit me with such force that he met my knife" (from a battered wife).

Sometimes the people asking for pardon from the king were officers on the king's business. In 1567, a small-town prosecutor in Armagnac explained why he ordered the killing of a college teacher he was trying to arrest for disturbing the peace. Calling himself Captain Shovel-purse, the teacher was leading armed students through the streets, the young men dressed as women and the women as men. When the prosecutor tried politely to get him to surrender, Shovel-purse slapped him and announced "he would make a ball of the judge's head and nape of the prosecutor's feet."

Finally, the prosecutor and his men cornered him in a house from which Shovel-purse shouted, "Cowards! I won't give myself up to the king or queen or to all the men of Armagnac!" The prosecu-

The writer is a professor of history at Princeton University. She contributed this column to *The New York Times*.

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International Herald Tribune

## TRAVEL

- ☐ Mosques of Cairo
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## A Quiet Side of Mexico

by Larry Rohter

OAXACA, Mexico — Essentially, foreign travelers are drawn to Mexico for any of four reasons: beaches, pre-Columbian ruins, Spanish colonial architecture or handicrafts. It is ironic, then, that one of the few regions that contains all these attractions, and much more, is one that is neglected by most visitors from abroad. Rising from the shores of the Pacific Ocean to enfold verdant mountain valleys and isolated villages, the southern state of Oaxaca is a world in and of itself, immersed in a glorious past but about to open, as never before, to the world around it.

Though only 40 minutes by air from Mexico City, to which it is also connected by the Pan American Highway, Oaxaca has for most of its history stubbornly insisted on setting its own course. Many Mexicans consider no place in their country to be more purely and genuinely Mexican than Oaxaca, and it is by that they mean the state has retained an Indian soul and character despite successive European incursions, then they are right. Fully half of Oaxaca's two million people claim Zapotec, Mixtec or other Indian tongues as their first language.

The Mexican government has embarked on a major program to develop tourism in what is now one of the country's poorest states. Air, road and rail links are being expanded and improved;

communications and lodgings are being fortified, and a major resort, expected to be one of the largest in the world by the turn of the century, is being built on the Pacific Coast at Huatulco.

There may be no time like the present, then, to experience the Oaxaca so beloved by Mexicans, starting with the capital, which is also called Oaxaca. A classic colonial town, one of the loveliest in the hemisphere, the city of Oaxaca still moves at a leisurely pace, affording the traveler time to savor its many beauties from its shady central square or from quiet side streets of cobblestone. Perhaps the best description was that supplied by Aldous Huxley, who though he took a jaundiced view of much of Mexican life and culture in "Beyond the Mexique Bay," was considerably taken with Oaxaca, which he called "a stately city, full of impressive buildings."

The most imposing structures are probably those of the city's many churches, which include the Cathedral and the Basílica de la Soledad, dedicated to the Virgin of Solitude. But Huxley, like others before and after him, was especially impressed by Santo Domingo Church, describing it as "one of the most extravagantly gorgeous churches in the world" and marveling that, even after decades of neglect, "the baroque saints still gesticulate above the altars."

Continued on page 8



The Church of La Soledad, Oaxaca.

## TRAVELER'S CHOICE

## A Chunnel Watcher's Package

For travelers who want to observe a chunk of industrial history in the making, a travel agency in Kent, England, is offering a Chunnel Watcher package. It will enable visitors to view construction of the \$5-billion English Channel Tunnel, which will link Dover, England, to Sangatte, France. The package includes two nights of bed and breakfast accommodations in Folkestone, entrance fees to Eurotunnel observation sites and exhibition centers at Sangatte and Cheriton near Folkestone, guide services, coach transfers and round-trip channel crossing by ferry. It will cost approximately \$135 a person. The channel tunnel is being financed by a French-British consortium. Tunneling began in December 1987. By mid-1989, a total of 11 tunnel-boring machines will be in action in an attempt to meet the completion date of May 1993. Information: Karen Watkins, Golden Gateways Holidays, Hill Place, London Road, Southborough, Tunbridge Wells, Kent TN4 0PX, England; tel: 511 808.

## Re-enacting Opening of Oklahoma

Visitors to the United States looking for some real Americana, take note: The state of Oklahoma will celebrate its centennial this year with a lineup of special events. The main one is a re-enactment of the Oklahoma Territory Run of 1889 in which settlers raced in to claim land and establish cities. On April 22, 1889, settlers rode horses, wagons, bicycles and ran on foot to the unassigned lands of Indian Territory, which had previously been available only for Indian settlement. At noon on April 22 Guthrie will stage the largest re-enactment with wagons, horses and a 20-block stretch of land to be "claimed."

## A Detour at Westminster Palace

Another historic tourist attraction in London is beginning to show its age. The floors of the upper waiting hall of the Palace of Westminster, the home of the Houses of Parliament, are beginning to crumble. As a precautionary measure, both visitors and members must now use a temporary bridge that spans the hall, which is a busy lobby leading to committee rooms.

## Tours for Recovering Alcoholics

Based on the belief that "travelers don't need to drink to enjoy their vacation," two American outfits have initiated tours for recovering alcoholics. Sober Vacations International (2365 Westwood Boulevard, Suite 21, Los Angeles, California 90064; tel: 213-470-0606) features programs ranging from rafting to Club Med vacations. Each trip combines the vacation with meetings and workshops patterned after those of Alcoholics Anonymous. Sober Adventures, a division of Idaho Aloft (Post Office Box 542, Grangeville, Idaho 83430; tel: 208-983-2414) offers alcohol-free white water rafting trips on the Snake River in Hells Canyon. The two- to six-day excursions feature AA-style meetings and group discussion.

## Renovating for 1789

The Musée Carnavalet, the museum of the history of Paris, has closed (apart from a temporary exhibition ending Jan. 22) as part of a project to double its exhibition space by annexing rooms in the adjacent Hôtel Le Peletier space by annexing rooms in the 17th-century Hôtel de Saint-Fargeau. The renovation (scheduled for the city of June) will be a comprehensive display of objects and artifacts from the time of the Revolution.

## Roses, an Elegy and Rilke's Swiss Grave

by Orville Schell

ARON, Switzerland — Jan. 2, 1927, was a sparkling cold winter day in this small town surrounded by snow-covered Alps in Valais canton. On a rocky ledge high above the town in a churchyard a cluster of people gathered somberly around an open grave listening to one of the mourners recite: "Of course, it is strange to inhabit the earth no longer, / to give up customs one barely had time to learn, / not to see roses and other promising things / in terms of a human future . . ."

The freshly dug grave was that of the poet Rainer Maria Rilke, and the recitation came from the first of the "Duino Elegies" completed five years earlier while he lived nearby in a small stone tower grandly named Chateau de Muzot. It was there, after a lifetime of wandering, that he had found the peace and solitude that allowed him to finish the elegies — started years before in the castle, near Trieste, of his friend and patron,

Princess Marie von Thurn und Taxis-Hohenlohe — as well as to compose the 59 "Sonnets to Orpheus," his crowning achievement.

When he realized he was gravely ill with leukemia, Rilke left instructions that he be buried in the graveyard of 13th-century Burgkirche in Raron under a headstone inscribed only with his name, the family coat of arms and a single couplet of his poetry. His last months were difficult. To his old lover and friend Lou Andreas-Salomé, he wrote of the pain racking his body: "Lou, I cannot tell you what hell I am enduring. You know how I have accommodated pain, the physical as well as the truly severe pain from my philosophy of life. . . . But now it is burying me completely. It is taking over from me day and night! Where will I find the courage?"

After reminding a friend to make sure that he would not have what he called "a doctor's death" but would instead have his "freedom," Rilke died early on Dec. 29, 1926, at the age of 51.

Last June, a little more than 61 years

later, my teen-age son and I, our rental car packed with dog-eared translations of Rilke's works, made a pilgrimage to the grave in Raron. Driving west through the Rhône Valley past an endless procession of cars and trucks, between Siere and Brig and the Simplon Pass, by gas stations, supermarkets, roadside discos and the Helicopter Flugfeld Raron, Air Zermatt A.G., which provides airboat service for the jet-set to the nearby Matterhorn resort, I felt far from the spirit of this great writer's works.

But, when I looked up from the road and suddenly saw the needle-sharp spire of the Burgkirche soaring against the mountains in the distance, Rilke's choice of final resting place became more self-evident. Even though we had erroneously believed ourselves to be many miles away, when we first spotted the church in the distance growing up out of its rocky ledge like a stalagmite, we intuitively knew that it must be where Rilke was buried. For, suspended above the town but still far from the rough mountains above, this mise-en-scène combined just

the proportions of social connection and solitude that Rilke had so assiduously cultivated during his life. Just as his poetry has a dreamlike quality, so this church, part of which was once a medieval castle, also seemed to float above the landscape.

When we finally turned off the highway and crossed the one-lane bridge over the milky Rhône, then began winding our way through the narrow streets of Raron, we entered a universe as tranquil and timeless as the highway was noisy and modern. We left our car in a diminutive square in front of a neighborhood store where a small yellow sign, without mentioning Rilke, announces "Zur Kirche, 10 Min." Walking up a narrow street surrounded by houses topped with stone roofs and festooned with window boxes of geraniums and petunias and passing a public fountain bubbling with cold, clear water, we emerged on a steep hillside path surrounded by pasture.

There, suddenly before us, was the Burgkirche, its rough walls rising up off its rocky outcrop like those of a fortress. And, when we entered the shaded

churchyard, in spite of all the encroachments of the modern world below, there was still a calm that had doubtless appealed to Rilke too.

Searching through the myriad tombstones we finally found Rilke's against the south wall, commanding a magnificent view down the valley. On top of his grassy grave lay an overturned brass chalice, and at its head, the stone with its famous koan-like epitaph, which Rilke had written for himself before he died:

Rose, oh reiner Widerspruch, Lust, Niemandes Schlaf zu sein unter sovielen Lidern.  
(Rose, oh pure contradiction, joy of being no one's sleep under so many lids.)

For those few minutes while we stared silently down at the headstone listening to nothing but the hiss of the warm summer breeze, our proximity to the idea of death cast a sudden shadow on our otherwise buoyant vacation mood. By way of

Continued on page 8

## Traveling Through Time in Rabat

by Jeanie Puleston Fleming

RABAT, Morocco — The Kasbah des Oudayas stands as it has for centuries, aloof atop the cliffs overlooking the Atlantic and the Bou Regreg River, keeping watch over the mouth of the river, the inland plain and the little boats ferrying people to Salé, Rabat's sister city on the right bank. Gaudy light, particularly to the North African Atlantic coast, warms the air gently, and the streets of the medina — the old city wrapped around the base of the casbah — begin to empty around midday.

That was why, on our first day in the Moroccan capital, we found ourselves on a dusty terrace, high in the casbah, with the sweeping view to ourselves. We climbed the ceremonial stairway to the magnificently carved sandstone arches of the Oudaya Gate, entered the casbah and wandered along Rue Djmaa to the wide terrace.

Rabat's casbah and medina form a compact cornerstone of the city, which is bounded by the sea and river on two sides and by high walls on the others. Within these boundaries, visitors' paths inevitably lead through the lively market streets, then to the quiet walks of the Andalusian gardens and storybook casbah.

Outside the medina walls are the modern city's grid of European-style boulevards, with their sidewalk cafes

and promenades peopled by government workers, students and cosmopolitan residents.

But like its citizens, who move between the modern grid and the traditional byways of the medina, Rabat old and new spill over into each other, packaged — and priced — soups and perfumes from France are displayed. Above it all looms the medieval casbah, which was once home to sultans, slaves and pirates and has acquired a certain cachet as an address.

While a tour of the oldest part of

Like its citizens, who move between the modern grid and the traditional byways of the medina, Rabat old and new spill over into each other, particularly in the narrow streets of the old section.

ticularly in the narrow streets of the old section.

Along Rue Souika in the medina, women in full-length jalabas, their faces veiled, cross paths with their sisters in high heels and tailored suits. Men, often in long jalabas too, may have a starched white shirt, tie and collar of a business suit showing at the neck, or perhaps pointed yellow leather slippers right out of the Arabian Nights showing below the hem.

Antique brass bowls and modern plastic ones are on sale at adjacent stalls, where salesmen pull out pocket calculators to tally prices. Across the street, meanwhile, a grain seller is figuring his totals on an abacus. Elaborately

Rabat must include the Roman ruins of the village of Chellah on the southern edge of town and the 144-foot-high (about 40 meters) Tour Hassan, ancient Rabat is the still-living medina and its casbah. The wide-angle view from the terrace is spectacular.

Below to the northeast, where the Bou Regreg empties into the sea, Spanish galleons were lured close in pursuit of pirate ships, only to be caught fast on a barely submerged sandbar. Then the pirate vessels broomed a few hundred yards upriver to safety while the cannons of the casbah loosed their firepower on the stranded ships.

Much later that afternoon, after the customary North African pause in the

day, we retraced our 10-minute taxi route from our hotel in the Ville Nouvelle to the medina. The European-style "new town," built under the French Protectorate (1912-56), was coming back to life as the day moved past 4 o'clock. We rode along the rows of palm trees lining Boulevard Mohammed V, past sidewalk cafes and past the elegant boutiques. We then turned right on the boulevard that bears the name of the present King, Hassan II.

On the north side of this busy thoroughfare rises the medina wall, about 20 feet high and punctuated along its several-block length by five major gates, their high arches dwarfing the stream of people strolling in and out. Roughly parallel to Boulevard Hassan II but inside the wall runs Rue Souika.

This so-called Andalusian portion of the medina wall dates from the 17th century, when Moslem refugees fled southern Spain for North Africa. The refugees, who included not only a number of talented artisans but the nucleus of the pirate empire bent on revenge against Spain, built a settlement reminiscent of their homeland at the base of the casbah.

The western wall of the medina is much older, and longer. Yacoub el-Manсур, one of Morocco's greatest builders, was responsible for much of this Almoahad wall. Just beyond the massive Bab el Rouah, Gate of the



The tomb of Mohammed V.

Continued on page 9



## TRAVEL

## THE FREQUENT TRAVELER

## Airports Compete, Passenger May Win

by Roger Collis

ASK somebody who lives in Norwich how to get to New York and the chances are you'll be advised to avoid Heathrow (at least two hours by car and a terminal change if you fly) and take an early morning Air UK flight to Schiphol in the Netherlands for a smooth transfer, arriving at JFK in early afternoon.

Going from Nuremberg to JFK, your best bet is to fly via Paris (not Frankfurt) with NFD/Air France getting to New York at 12:20 P.M., two hours less than any other route. Or if you start out from Bordeaux or Stuttgart, consider flying Crossair (the Swiss regional carrier) to Geneva then to New York.

The best way to get from the center of London to Kinshasa is to fly on London City Airways from London City Airport to Brussels where you can pick up a nonstop flight.

These are examples of how regional airlines are providing business fliers with a choice of cross-border hubs and long-haul services.

There is a growing tendency for people to choose the most convenient and civilized airport for a particular trip rather than an airline. Often, of course, this amounts to much the same thing: At most major airports in Europe the choice comes down to the national carrier at either end of the route.

But as liberalization in Europe takes off, airports and their resident airlines are competing against hubs in nearby countries for transfer traffic.

This has been made much easier for travelers by the rapid growth in cross-border feed services operated by major carriers and regional airlines to hubs from the provinces. For example, there are flights to Schiphol from 24 points in Britain; Air France flies from Paris to eight British cities, including all five London airports (big hubs such as Heathrow and Gatwick, Luton, Stansted, and joint services with Brynmor Airways to London City). From London City, you can be in Paris, Brussels or Amsterdam by the time you board at Heathrow.

FOR trips within Europe, the savvy traveler will avoid a megalopolis whenever possible by flying point-to-point with regional airlines; long-haul, he makes sure to choose the most convenient hub for changing planes.

Of course, if you live in Brussels, Zurich, Vienna, Rome or Copenhagen, you don't have much choice when starting a trip but it can make sense to transfer at another European hub rather than at the other end after a long flight. But the hub you choose will largely depend on the best flight schedules, airlines and ease of transfer.

Fares may play a part in the decision: For example, you may save up to 40 percent on a regular full-fare ticket by flying from London on certain airlines; Air France tempts passengers from London with a Concorde round-trip flight to New York about 40 percent less than the British Airways Concorde from London; KLM has started an executive jet service to bring long-haul passengers to Amsterdam from most points in Europe, North Africa and the Middle East.

Some airlines offer free stopover packages for intercontinental transfer passengers. For example, SAS gives you a 24-hour "De Luxe Stopover" if you fly full-fare both into and out of Copenhagen. It includes hotel, meals, sightseeing and limos to and from the airport. The Madrid Amigo package is offered to all first and business class passengers on Iberia who transfer to or from a long-haul flight: two free nights in a five star hotel with meals, limos and other trimmings.

However, for many people, the most cogent reasons for choosing an airport is the likelihood of con-

gestion in the air and on the ground and connections. Copenhagen (SAS) and Helsinki (Finnair) each offer a nonstop flight to Beijing (on Mondays and Thursdays respectively). SAS plans to offer twice-daily nonstop flights to Bangkok (a partnership with Thai International) and daily nonstops to Tokyo. "One of the airports in our deal (with British Midland, which owns London City Airways) is that jets will be approved for London City Airport in the next 18 months," says John Herbert, a spokesman at SAS in Stockholm. "This will make it faster to fly London City-Copenhagen-Tokyo than from Heathrow to Tokyo; Copenhagen-Tokyo is 10 hours."

Madrid has an edge on schedules to most parts of Latin America, Vienna is good for East Europe and Paris for the Middle East, parts of Africa and South America.

When it comes to crowds and delays, IATA has identified six European airports which are critically saturated because of insufficient runway and terminal capacity. You may not escape from air traffic control congestion if you avoid them but you can expect fewer delays taking off and landing and more civilized treatment on the ground.

MY vote for the most user-friendly hub in Europe is Schiphol, which was designed as a transfer airport. About one third of its 14 million passengers last year were transferring to other flights. It has a capacity far in excess of actual traffic and has a single terminal that allows an average long-haul connecting time of 50 minutes. It takes a maximum of 10 minutes to walk from one aircraft to another.

An obvious reason for starting out from a small airport is the low hassle factor: cheap car parking, no fighting crowds and you can usually check right through to your final destination. And if you're cross-border hubbing it's an international flight, typically with a single cabin in business class service; a comfortable 44-seat Dash 7 from London City to Paris is a far cry from flying sardine class on most domestic flights in Europe.

The main problem regional airlines face in developing new networks is air traffic and airport congestion at main hubs. There are two countermeasures at work. First are proposals to drive the regional out of the main hubs or into off-peak slots by raising landing fees for small planes (this might stimulate point-to-point routes between small to medium size airports but inhibit their feeder or commuter role). Second, there is fear that soon all the regional airlines will be gobbled up by the majors.

"My principal concern is that we'll end up with the big guys controlling the market and being able to eliminate any competition," says Mike Ambrose, director-general of the European Regional Airlines Association in London. "On the positive side is that, while everyone will want the fortress hub in their own backyard, the trunk carriers will also begin to recognize that as congestion gets worse, interline feed is going to be progressively more important for them for medium and long-haul. I think the market will benefit from synergies, such as the coordination of scheduling, so that any service of the regional is tailored to hit a whole load of services at the hub. And the regional will have access to marketing and distribution systems which is where they are weak. I also think that direct services will become more attractive. I mean would you accept a one-hour transfer at Frankfurt these days?"

This may lead to rapid development of secondary hubs. The time may come when you can fly long-haul with a "regional" airline from Birmingham and Lyon.

## The Mosques: Modern Cairo's Link to Its Past

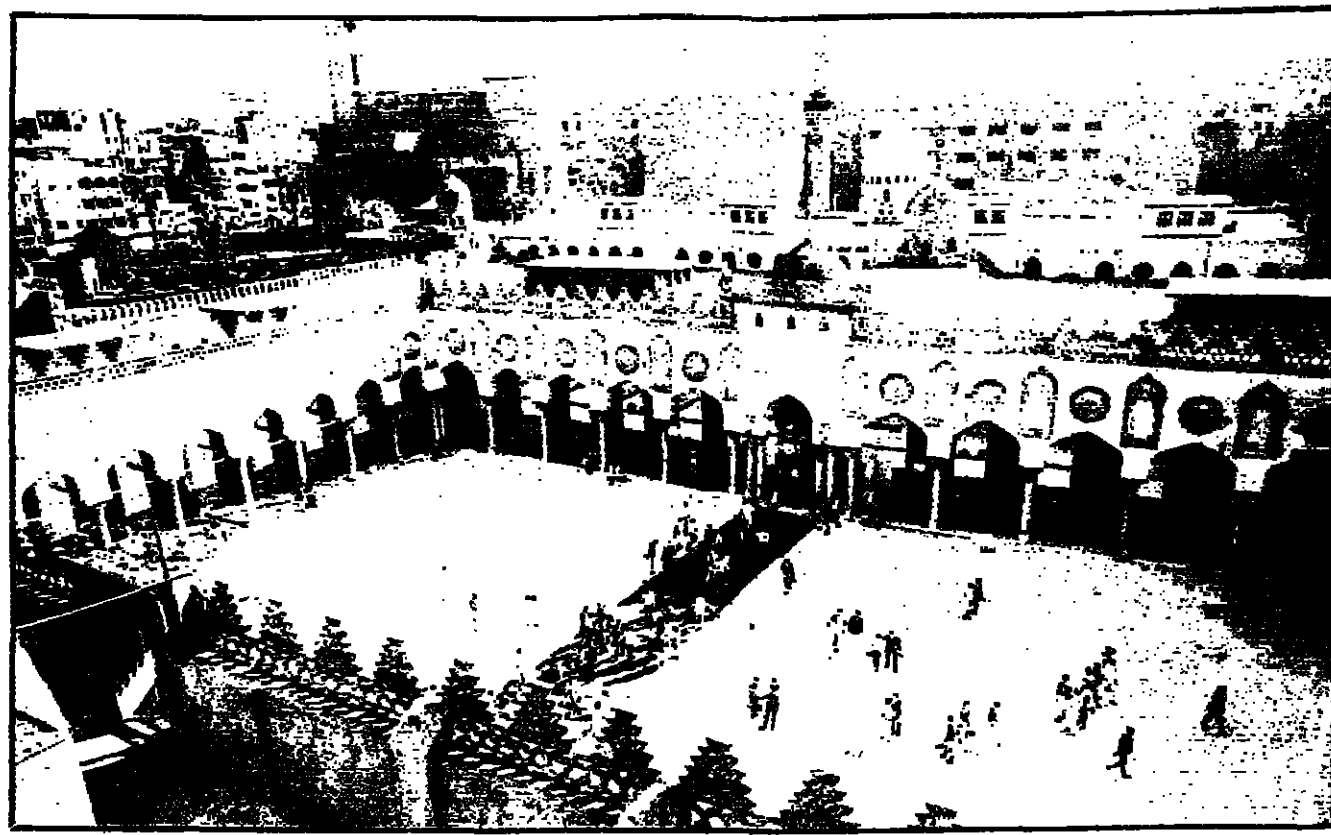
by Alan Cowell

CAIRO — This city comes at you like an assault, or a persistent vendor of dubious wares. It teems and hustles, bursts with energy, oozes decay, collapses under its own frustrations. But it will not be denied. On the banks of the Nile, the impressions rumble, willy-nilly: noise and dust and the strangled calls of street hawkers; awesome sunsets, chaos, traffic, polluted air; the click of croquet mallets on the pattered lawns of the Gezira Sporting Club, a whisper of wind in its palms.

This is a city where increasing the price of bread to the equivalent of 4 cents a loaf would cause riots, yet where the underground garages of the big apartment houses resemble Mercedes-Benz dealerships.

Here is the very old, traced in the galleries of the Egyptian Museum, bluntly stated in the corroding lines of the Pyramids and the Sphinx. And here, too, is the newness of an overcrowded city — the streets away from the tourist sites of the Pyramids and the Sphinx, choked with grime and markets and coffee shops, donkey carts, children and packed buses, garbage and more children.

Yet, if there is one architectural strand that binds present-day Cairo to its relatively recent past, it is the mosque, emblem of the Islamic way that arrived by invasion and conquest in A.D. 642, supplanting the Coptic Christianity that had risen under Roman rule. A tour of what is called Islamic Cairo illuminates both history and unfolding architecture, styles, starting with the stark simplicity of the now restored Amr



The courtyard of al-Azhar Mosque, a renowned center of Moslem learning.

ibn el-As Mosque and ending with the ornate vaultings and delicate minarets of the Mohammed Ali Mosque, dominating the city from the high ground of the Citadel.

Our itinerary did not aim to be definitive. The plan was simply to see a little of each era, from the

coming of Islam to its last architectural flourish under Ottoman rule in the 19th century.

The first halt was Fustat, the site of Cairo's forerunner as the first Moslem settlement after Amr ibn el-As, general to the Caliph Omar, founded Arab Egypt and established the town in 642, taking advantage of a sophisticated water supply and sewerage system inherited from Roman and Byzantine predecessors. These days the site is sandwiched between a tumble-down area of pottery kilns, which belch smoke, and a cement factory, which belches smoke, so it required an Aristotelian suspension of belief to follow a guide's description of the splendors that were Fustat.

Yet, the place must have had great charms. Here, the guide said, were the foundations of a villa — set in what has survived as a lunar landscape of old brickwork — with its vast bathhouse, three bedrooms and secluded inner courtyard.

Fustat survived from 642 until 1168 when, the historians say, the town with the exception of Amr's mosque was destroyed to keep it from falling into Crusader hands. (Cairo itself was founded in 969 by the conquering Fatimids, drawing its name, el-Kahirah, from the Arabic for the victor.) But the restored mosque of Amr has remained, a living part of today's Islam and, to a newcomer at least, a stark monument to the architectural simplicity of its era — austere in its lines and, when first built, unadorned with

the minarets that appeared in 1085. Until that time, the muezzin would call the faithful to prayer from the roof, and the stubby minarets built onto the Amr mosque lack the grandeur of the rest of the building. These days, of course, technology has overtaken the ornate minarets and the faithful are summoned by loudspeaker, sometimes attached to a tape recording of the muezzin's call.

In theory, the attempt to follow chronological sequence should have led us from Fustat to the great, crenellated mosque of Ibn Tulun (surrounded now by low apartment houses), which must, in its time, have represented as massive a testament to Islam's might as Europe's great cathedrals to the power and wealth of Christendom. But the first detour intruded for close by Fustat (and the sheep market that guards its entrance), lies a tangle of half-neglected alleyways of a different era, known as Old Cairo, and reflecting other faiths: Coptic Christianity, Judaism, Greek Orthodoxy.

There, we found what is said to be Cairo's oldest synagogue (one of six in the city) on a site that was not always reserved for Jewish worship. The original was destroyed when the Romans came to Egypt, and the land was later given to Coptic Christians. By the 12th century, contemporary travelers reported that the synagogue had been restored. It is, these days, a major

attraction for the many Israelis who visit Egypt.

We retraced our steps out of the narrow alleys and half-completed restoration work of Old Cairo to the Ibn Tulun Mosque. The outer walls of this grand edifice seem to betoken the great power of a religion that spread with breathtaking speed from the deserts of what is now Saudi Arabia to the Atlantic Ocean. The style, already more ornate in its stucco work than the Amr Mosque, is said to have been imitated from Mesopotamia — a large, square courtyard surrounded by four porticoes, of which the southeast portico, facing Mecca, is the largest.

The Ibn Tulun Mosque, built between 876 and 879, boasts a large, spiral-shaped tower — probably a later addition — from which the view of the city (on days when the smog level is not too high) is worth the modest climb.

The mosque invited us to another detour — the Gayer-Anderson Museum, formed by a pair of linked 17th-century houses and furnished, room by room, in a variety of styles that vary from Chinese to British. The museum, adjoining the mosque, is named for a British collector who died in 1942, leaving his idiosyncratic assemblage of nude sketches, Persian rugs, Turkish gowns and other memorabilia to adorn a traditionally built home featuring Cairo's distinctive craft of mashrabiyyah, the intricate

carving used on screens, and its own harem.

Our itinerary took us on to the al-Azhar Mosque, a seat of theological learning acknowledged throughout the Moslem world. Classes are held within the mosque itself. The original was built between 970 and 971, it was destroyed by an earthquake in 1303 and then rebuilt. Its columns have been taken from Christian buildings predating Islam and it retains the courtyard style of Ibn Tulun. A principal feature is a kind of transept thought to have been imitated from the Umayyad Great Mosque of Damascus.

Across a busy street from al-Azhar lies the tangled web of silver smiths, copper vendors, perfume booths and souvenir stalls of the Khan el-Khalili, the great, 15th-century market that sprang up around a concentration of mosques, including the 13th-century Kalan Mosque with its magnificent minaret.

WE headed on, skipping a century to visit the 14th-century Sultan Hassan Mosque in the part of the city near the restored Citadel. The building, adjacent to the Rafai Mosque, which contains the tomb of the Shah of Iran, is held to be one of the most grandiose and finest specimens of Mamluk art, with its high vaulted porticoes and its ornate, marble-inlaid floor of its central courtyard, surrounding the ancient, domed fountain of the kind found in many of Cairo's mosques.

From Sultan Hassan Mosque, the Citadel is a brief walk — but several centuries — away. Here, the changes, reflecting Ottoman occupation of Egypt. Travelers familiar with Istanbul's famed Blue, or Sultan Ahmet, Mosque will recognize the slender, soaring minarets and ornate ceilings of the Mohammed Ali Mosque as typical of that style. Somewhat incongruously, a clock-tower donated to Mehmet Ali by King Louis Philippe of France dominates the principal courtyard.

The mosque, built between 1834 and 1857, is not to everyone's taste. Some critics have assailed what they depict as an unbridled gaudiness bordering on kitsch. Yet it represented a conclusion to the series of great, religious edifices constructed in honor of the rulers who had crossed Egypt's stage for more than 1,200 years. Thereafter the monuments seem to have been secular: the Suez Canal and the Opera built by the Khedive Ismail, the palaces of the monarchy.

On that rare thing — a clear day — the ramparts of Saladin's Citadel offered a spectacular view, too, all the way from the pyramids of Giza and Sakhrat, across the great sweep of the city, from Fustat to Ibn Tulun to the tumble of medieval and modern Cairo. It was a panorama spanning millenniums.

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Ismaili Shiites leaving the Ibn Tulun Mosque.

## A Quiet Side of Mexico

Continued from page 7

and the gilded plaster still writhes in a tripe-like luxuriance over vault and ceiling."

Just next door, housed in what was once a convent, is the Regional Museum of Oaxaca, which displays an extraordinary array of archaeological treasures. Some items date from as early as 9000 B.C., but the most magnificent pieces are products of the Zapotec and Mixtec periods: gold, pearl and turquoise jewelry, delicately crafted cups and bowls in the images of animals and humans, even a decorated skull. The only other museum to rival it is the Rufino Tamayo Museum (a few blocks away on Avenida Morelos) named for Mexico's greatest living artist, a native of Oaxaca who donated his large personal collection of pre-Columbian artifacts to the state.

OAXACA is full of churches and monasteries shuttered in the mid-19th century by Benito Juárez, a native son who became Mexico's first Indian president and broke the secular power of the church. After use as stables, barracks, warehouses and even movie theaters, many of these buildings have now been restored. One of the most beautiful is the former convent of St. Catherine of Siena, founded in 1576 and now functioning as the Presidente Hotel. These are the most expensive lodgings in Oaxaca, with a double room running just under \$100 a night, but the atmosphere is delightfully tranquil and the hotel is centrally situated. Several other comfortable hotels, such as the Victoria, the Misión de los Angeles and the new and somewhat glitzy Fortín Plaza, are on attractive grounds on the outskirts of town.

The variety of accommodations available makes the city of Oaxaca a convenient base from which to explore the surrounding countryside of the Oaxaca valley, where the Zapotec and Mixtec cultures flourished before the arrival of the Spanish in 1521. The greatest glory of those pre-Columbian civilizations was the hillside complex known as Monte Alban, six miles (about 10 kilometers) from the capital. For more than a thousand years, Monte Alban was a center of learning, commerce and

tribute sacred to the successive cultures of Meso-America.

Monte Alban remains a place of enormous majesty and mystery to archaeologists and anthropologists as well as ordinary visitors. One patio contains fragments of spectacular murals of dancers, nude male figures contorted into swimming and running positions, but exactly what do these dancers represent? Is "Mound I," shaped like an arrowhead and aligned with the zenith passage of the sun, an astronomical observatory, as some experts have suggested?

East of the city along the Pan American Highway lie other striking relics of the pre-Columbian era. The ruins at Mitla, though much smaller in scale, may be an even more sophisticated expression of Mixtec artistry. The temples and palaces, many of them built after 1400, are remarkable for their exquisite mosaics, drawing on complicated geometric patterns that are still seen today in the pottery and weaving of the region.

In the town of Mitla, just off the main square, is the Friswell Museum, which contains artifacts from all over the Oaxaca valley. Returning from Mitla to the city, the traveler might consider stopping at Yagui, which contains a fortress with a commanding view of the Oaxaca valley but whose principal point of interest is the largest ball field in the area. Smaller ruins at Lambityeco and Dainzi are also worth a look, but the most unusual sight of all may be at Tule, where what is said to be the largest and oldest tree in Mexico grows. Standing 140 feet high and measuring more than 50 feet across, this cypress is believed to be more than 2,000 years old.

Oaxaca prides itself on the dazzling variety of handicrafts and foods offered at Indian markets throughout the valley. For that reason, visits to small towns in outlying areas are best scheduled for market day: Etla on Wednesday, Zaachila on Thursday, Ocotlán on Friday, Tlacolula on Sunday, which is also the best day to visit the local church's gaudily gilded Santo Cristo Chapel, a scaled-down and more native version of Santo Domingo.

The state's pride, however, is the noisy, colorful and sprawling Saturday market in the capital, which in addition to offering an astonishing abundance of fruit, vegetables and fowl, attracts Indian craftsmen from throughout the valley. While Oaxaca has many excellent handicrafts shops, concentrated along García Vigil and Macedonia de Alcalá streets, the Saturday market offers many of the same goods without the middleman.

Especially popular with Oaxacans and outsiders alike are the delicate wool weavings from Teotitlán del Valle in the form of rugs, sweaters and blankets, ranging in price from \$40 to \$250, depending on size.

IN contrast to the uplands, coastal Oaxaca, which the Mexican government plans to develop into a tourist destination rivaling Cancun or Acapulco, is an isolated area on which the hand of man has not yet left much of a mark. A few fishing villages are scattered up and down the more than 400 miles of coastline, along with sparkling, deserted bays and Pacific Ocean beaches of pale sand where thousands of sea turtles come each year to lay their eggs. Slightly inland, where Highway 200 runs, the terrain is dry, rocky and inhospitable, the province largely of cactus and buzzards.

For now, a Club Med is operating in Huasteco. Shortly, however, the Huasteco Sheraton Resort, with 345 rooms, and the Veramar Hotel, with 310, will be fully operational, and they are expected to be followed by an average of 750 new hotel rooms opening each year in Huasteco for the next decade.

About 75 miles west of Huasteco is Puerto Escondido, whose cheerful lethargy and indifference to ceremony stand as the antithesis of everything Huasteco aspires to. Very little about Puerto Escondido is planned, organized or efficient, and therein lies its charm for those who are really seeking to get away from it all. The town has long been favored by Europeans on a budget, hippies with backpacks, and surfers who have drifted down from California.

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## Rilke

Continued from page 7

an antidote, I tried to imagine Rilke himself standing in this same graveyard as he had once done. Aspects of his features were as clearly engraved in my mind, from photos and from his poem "Self Portrait," as the outline of the church steeple silhouetted against the sky.

*The stamens of an old, long noble rose in the eyebrows' heavy arches. In the mild blue eyes, the solemn anguish of a child and here and there, humility — not a fool's but feminine: the look of one who serves. The mouth quite ordinary, large straight, composed, yet not unwilling to speak out when necessary. The forehead still naive, most comfortable in shadows, looking down.*

*This as a whole, just lazily foreseen — never, in any joy or suffering, collected for a firm accomplishment; and yet, as though, from far off, with scattered things, a serious, true work were being planned.*

In his life as well as in the "serious, true work" of his poetry, Rilke had almost religiously embraced the idea of solitude. And with equal dedication, he had endeavored to find and to mentally inhabit that thin lonely sliver of psychic space where he understood life and death to intersect. The graveyard of this ancient church was in so many ways a fitting resting spot for Rilke, whose life had been a never ending balancing act between such contradictions. Except for his last years at Muzot, Rilke had, particularly after the collapse of the Austro-Hungarian Empire, wandered unceasingly from country to country. Having grown up in Prague, then lived in Austria, Germany, France and Italy, he had in effect become a stateless person. It was somehow fitting, if not inevitable, that he should end up in Switzerland, that curious vortex at the center of the European whirlpool.

Raron, too, in the Valais (Wallis, in German), on the dividing line between French and German Switzerland, was a fitting place for Rilke to come to rest. For just as he had lived his life between coun-

tries, so he lived between languages. Brought up speaking German in Bohemia, intellectually fascinated with France and sometimes even writing in French, and later enthralled by the earthy energy of Russian literature and language, Rilke perennially found himself on the borderline between different linguistic worlds.

Like the Burgkirche, which is neither in the countryside nor in the town, but hovers between each, in his personal relations Rilke had a penchant for remaining "untouched and aloof. Although he formed many deep friendships and had many passing love affairs, he was far more comfortable with distance than relentless closeness.

LEAVING the grave, we entered the church, and while my son explored the small organ in the balcony, I studied the bleeding thorn-crowned image of Christ on a crucifix over the altar, and the faces awaiting the souls of Swiss sinners. But, their fearful iconography of death was so far in feeling from that of Rilke's poetry, that I quickly found myself wishing that I had not come inside at all.

Stepping with relief back into the sunlight and warm summer air, we wandered over to the ruins of the nearby rectory where we happened upon a wild rose bush in bloom. Remembering the lines in one of Rilke's "Sonnets to Orpheus," "Erect no gravestone to his memory; just let the rose blossom each year for his sake," we cut two stems of blossoms. Then, walking back to the grave my son righted, the overcast clouds, filled it with water, and we left this offering of roses on the grave under Rilke's own epitaph:

*Rose, oh pure contradiction, joy of being no one's sleep under so many lids.*

Orville Schell's most recent book is "Dance and Democracy: China in the Throes of Reform" (Pantheon).

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## TRAVEL

Traveling Through Time *Continued from page 7*

Wind, the present royal complex stretches south and west to the outer walls. Mansur also ordered construction of the Hassan Tower, a never-completed minaret that stands in a never-completed grand mosque above the river in the eastern Ville Nouvelle. The opulent mausoleum of King Mohammed V, who died in 1961, has been built beside this landmark.

Near the river end of Boulevard Hassan II we asked the taxi driver to let us off at the gate nearest the Andalusian gardens, since they close around six. Though created during the French protectorate, the elegant walkways, the plant groupings and the sound of water are more reminiscent of Moorish Granada than of France's regal gardens. By day veiled women in dark blue and black *jalabas* often sit quietly while children play around them on the steps by the entrance. Inside, other women walk the flower-lined paths together.

The Museum of Moroccan Arts in the gardens proved worth a visit, not only for the well-displayed jewelry, costumes, pottery, weapons and carpets, but for the 17th-century building itself. Originally a palace with rooms typically opening onto a central

courtyard, it was built for the occasional occupation of Sultan Moulay Ismail of Meknes, a ruler who united the country and reigned — with touches of remarkable cruelty — from 1672 to 1727.

Along the west wall of the gardens, the museum has expanded into another building with additional displays, including a luxurious desert tent, more costumes and photographs of Moroccans from different areas.

Café des Oudails, a terrace tearoom with a view of the river and Salé, can be reached through a gate on the east side of the Andalusian gardens. Though coffee is available, the preference is a glass of sweet mint tea — Moroccans down four or five cups a day — and pastries such as coconut macaroons, or "cigares" dripping with honey in the shape of a finger or a triangle. With cakes costing the equivalent of about 35 cents each, we tried several, then returned fortified to the streets of the medina to join the early-evening crowds.

Rue des Consuls and Rue Souika were buzzing with the business of buying and selling. Between shops featuring brass and leatherware, jewelry, thula-wood carvings, mosaics, clothing, spices and plastics were

several inner courtyards used as artisans' workshops.

From Rue des Consuls we saw bags being made by men and boys who formed an assembly-line of cutters, toolers and stitchers. Just around the corner, on Rue Souika, similar bags and others were priced at \$15 to \$25, and a handsome saddlebag-style shoulder purse was \$30 — all prices, of course, subject to discussion. Farther along, Rue Souika has a roof and is lined with stalls selling slippers called *babouches*. The yellow ones worn by men were about \$10, and embroidered ones for women about \$15. Food and jewelry shops take over as the street nears the grand mosque.

Between the river and Rue des Consuls runs the Sidi Malouf ramp, where ferryboats from Salé arrive and leave. Closer to the casbah along this road is a government-sponsored artisan center, laid out in cubicles of workshops and salesrooms. Across the street is a traditional arts museum built around a pretty courtyard.

**R**ABAT carpets, often deep red with a medallion design in the center, hung in front of several shops at the top end of Rue des Consuls. Maroc Artisanal, 20-22 Rue des Consuls, has displays of Rabat carpets. Prices for the best quality, "extra supérieur," begin at \$125 a square meter, with a typical size being about four square meters. Farther along the street another Rabat carpet merchant showed us a high-quality carpet from Fez and said it would fetch \$25 less a square meter than his best from Rabat. His prayer-sized carpets from the Middle Atlas mountains sold for \$25 to \$44, and the prized High Atlas carpets were priced at \$100 to \$375 each.

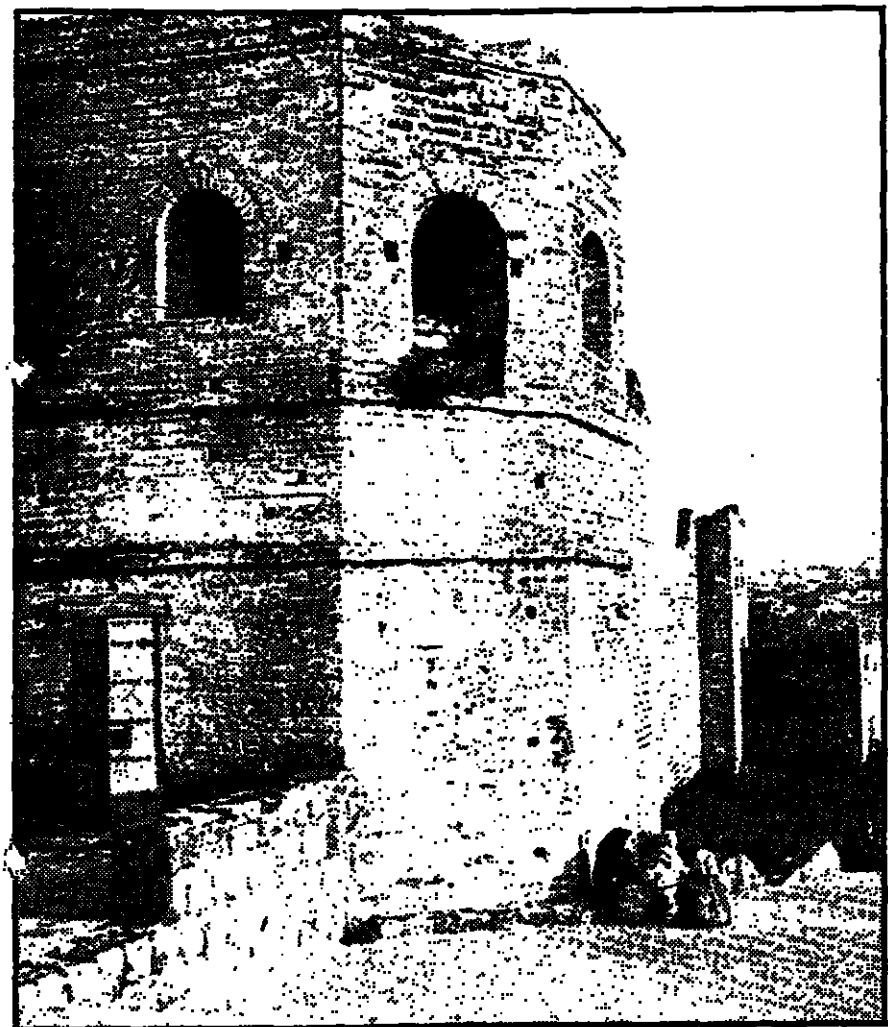
To the smells of fresh bread and sidewalk grills, we moved along with the crowd, acquiring along the way a pair of roomy Moroccan pants for about \$7, several small leather evening bags for \$5 each and a few strings of exotic-looking beads that at \$2 each contained plastic "amber" that nonetheless had a certain style.

The thula-wood boxes at \$15 to \$20 each were tempting, as was an enormous brass pot for under \$40. But after a street-side vendor persuaded us to try some of his delicious fried bread as an hors-d'oeuvre, appetizing images of lemon chicken and *tagine* stews being served in the restaurants began to appear, signaling the end of the evening's stroll.

During the next days we found that Rabat's medina and casbah are easily accessible to first-time visitors, who can wander on their own for hours without fear of becoming lost. The medina, though compact, is fairly open and its streets relatively straight. The casbah covers an area hardly larger than a football field.

On the last day we returned to the casbah terrace and found it still an evocative setting — even though two lovers, not pirates, sat beside the old cannon, and the desperate shouts in the distance came not from a besieged ship, but from a lively game of soccer on the beach below.

Jeanie Puleston Fleming, a writer who lives in New Mexico, wrote this for *The New York Times*.



The Oudaia gate is one of the entrances into the casbah.



## Régine, Up From the Basement

**P**ARIS — So Régine has come up from the basement. As the discotheque and nightlife queen who has lived much of her life underground, Régine Choukroun is glowing, "delighted to see the sunshine on the ground floor."

The "ground floor" is the newly renovated Ledoyen, the palatial restaurant near the Place de la Concorde end of the Champs-Élysées. Ledoyen, created as a simple garden restaurant in 1792, was long considered a gastronomic temple. But in recent years the property, which is leased by the city of Paris, had fallen on hard times. It was removed from some restaurant guides and lost its flashy, high-class clientele. Closed since September 1987, Ledoyen was reopened last November, as Régine realized her 20-year dream of taking over one of the grand restaurants in the gardens of the Champs-Élysées.

Like many new restaurants today, the new Ledoyen aims to be much more than a restaurant. There is a range of hotel-style services for the harried businessman (from fax machines to secretarial services to private direct phone lines) and there are plans to link up to a satellite for boxing matches from Las Vegas, the Super Bowl or America's Cup, or to stage special auctions with Christie's and Sotheby's. As Régine explains it, her Ledoyen is "designed to satisfy the Europe of the future." That means opening the doors for cocktail parties, luncheons, dinners, seminars and press conferences.

To play the game, it may involve more than calling for a reservation and simply showing up. Getting to your appointed seat in the luxurious rotunda dining room, Le Guépard, is a bit like weaving through a phalanx of guards on your way to a bank vault. No less than six different individuals may courteously stop you to inquire if you have a reservation, in which of the many dining rooms, and under what name.

Once seated, you will see that Régine has

by no means neglected the food. As consulting chef, she has brought in Jacques Maximin, who rose to superstar status as chef at the Hotel Negresco in Nice. But since Maximin is due to open his own establishment in Nice in just a few months, it's likely that he will be leaving behind his second, Jean-François Lemerrier, to man the stoves.

Maximin has put together an ambitious

## PATRICIA WELLS

and appealing menu, which includes many of the foods that this young chef from the north of France has perfected in the south. The menu virtually sings of the sun, including Maximin's famous zucchini blossoms with truffles; a tian d'agneau, or layered Provencal vegetable terrine layered with lamb; a risotto of pigeon with truffles.

For many reasons, the food doesn't work. Most of the dishes are overcomplicated, overworked, too fussy, and as a result even the finest of ingredients are totally masked. The overall effect is one of outdated food that is neither classic nor nouvelle.

The first-course courgettes à la fleur et aux truffes (priced at 200 francs — \$32) arrives with the fragrance of boiling cream, not fresh black truffles. By the time the chef gets finished fussing with the tian d'agneau it is cold and dry. And while the Nîmois blend of vegetables beneath it is delicious and well-seasoned, you must swim through the bland lamb to get to it. The ratatouille de crustacés sounds appealing, but arrives as a tangle of odds and ends stuffed into a lobster shell with no apparent attention to seasoning. A better bet is the gratin de homard aux macarons, in which the pasta beautifully absorbs the rich lobster essence. Considering that Ledoyen is one of the highest priced restaurants in Paris, the results are appalling.

As for the service, ask a waiter to describe what's in a particular dish, and he may freeze as though facing his Ph.D. orals. Order the

tian d'agneau — radically overpriced at 300 francs for snippens of lamb and a bundle of vegetables — and the waiter might ask if you want your lamb *bleu*, *saignant*, *rosé* or *bien cuit*. No one orders lamb *bleu* — blood rare. Le Guépard offers some good wine values, among them a crisp white Vouvray priced at 145 francs, and a 1984 Châteauneuf du Pape, an excellent cru bourgeois considered by many to be the top wine with a Médoc appellation and a bargain at 150 francs.

The "casual" Ledoyen — Le Carré — all wood paneled and decorated in earth tones, is about as warm and appealing as most hotel dining rooms. Service is friendly if impersonal and, considering the price tag (count on up to 400 francs, depending on the wine), there's not much to recommend here. The rougets en escabeche — tiny red mullet browned in oil then infused with vinegar and herbs and served cold — is delicious; and the American mixed grill offers a nice twist on the classic, including a medley of grilled fresh vegetables along with the traditional meat offerings, but all is served lukewarm. The simplest of preparations are indeed the most complex, and a plain grilled sole arrives waterlogged and flavorless.

Régine is far from a casual caretaker here. She is obviously relishing her new role, and it's hard to question her sincerity. She is all about, parading efficiently from room to room in the role of major general. But it's a long way up from the basement to the ground floor, and as she is finding out, a grand restaurant is not child's play.

Ledoyen, Carré des Champs-Élysées, tel: 47.42.23.23. Closed Sunday. Credit cards: American Express, Diners, Eurocard, Visa. Le Guépard, menus at 500, 600 and 700 francs, not including wine. A la carte, 800 francs, including wine. Open to 11 P.M. Le Carré, 300-400 francs a person, including wine. Open to 12:30 A.M.

**NEW YORK Herald Tribune**

**U.S. Envoy's Army Honors Are Praised On Return By Roosevelt**

**Czechs Accept Munich Decision With Resignation; Peace Heroes Get Triumphant Welcome on Return**

**As Europe Relaxes, Forecasts General Settlement**

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13-1-89

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	Vol	High	Low	Last
ENSCO	1442	7 3/8	7 1/8	7 1/8
Amgen	1360	5 1/4	5 1/8	5 1/8
Int'l Flsh	6925	2 1/4	2 1/8	2 1/8
Whorlcr	4550	1 1/4	1 1/8	1 1/8
Exxon	321	14 1/4	14 1/8	14 1/8
Wagon	2090	14 1/4	14 1/8	14 1/8
Tecum	2015	13 1/4	13 1/8	13 1/8
Food U	2722	3 1/4	3 1/8	3 1/8
Chry	2122	1 1/4	1 1/8	1 1/8
Cr	2332	5 1/4	5 1/8	5 1/8
Incstar	2192	3 1/4	3 1/8	3 1/8
Teleph	2020	4 1/4	4 1/8	4 1/8
Worlde	1910	9 1/4	9 1/8	9 1/8
DeNall	1905	13 1/4	13 1/8	13 1/8
Fruit	1031	6 1/4	6 1/8	6 1/8

AMEX Stock Index		
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FRIDAY, JANUARY 13, 1989

**WALL STREET WATCH**

**Dow Soars, But Some Signs Forewarn of Falling Prices**

By FLOYD NORRIS

New York Times Service

**N**EW YORK — The Dow Jones industrial average is trading at its highest levels since the 1987 crash, to a chorus of disbelief. Contrarians can take comfort in just how much doubt there is, but in the meantime there are signs that the stock market is not nearly so healthy as the Dow would seem to indicate.

The Dow stood at 2,282.95 on April 15, 1987, well above any reading that has been reached since the crash in October 1987. But on Thursday it rose 15.89 points to a post-collapse high of 2,222.32.

Other indicators are less favorable. These signs are largely of importance to technical analysts, who look for signals to the stock market's future in the behavior of the market itself. They sometimes face the scorn of fundamental analysts, who focus on such factors as earnings and dividends.

The latest technical indicator to send out a warning signal is the weekly advance-decline line, a measure of the health of the broad market.

If 100 more stocks rise than fall in New York Stock Exchange trading in a given week, that line will rise by 100. It does not matter, so far as that line is concerned, how much the stocks rise, only whether they do. Last week, as the Dow moved over higher, the weekly advance-decline line ended nearly 200 issues lower than the peak it had reached in October, the last time the Dow was reaching new highs.

That could be significant, for throughout 1988, with one exception, when the Dow moved to a new high the weekly advance-decline line also hit a new peak. The exception came when the Dow peaked in April at 2,110.08, only to fall 8 percent in the next six weeks.

The failure of the weekly advance-decline line to hit a new peak indicates that, while the Dow Jones industrial average has been performing well of late, many stocks have not kept up.

Such broad-based indexes of large stocks as the Standard & Poor's 500 and the Big Board's composite are still below their October highs, and indexes of smaller stocks topped out in July.

**S**TILL, there is one technical indicator that is looking good, and that is the Dow Theory, invented a century ago by Charles H. Dow, the Dow in Dow Jones. He posited that the economy was going well if both the Dow Jones industrial average and the Dow Jones railroad average were hitting highs, but that there were signs of problems if one was moving without the other. The industrial companies made the goods, he pointed out, while the rails moved them to market.

The Dow Jones transportation average replaced the rails, and since then has been a closely watched indicator. Both Dow averages hit post-collapse highs this week. Richard Evans of the Dow Theory forecasts newsletter in Hammond, Indiana, calls those peaks "another reconfirmation that the bullish trend is intact."

"It's a classic primary move, in that it is starting up when there is a lot of disbelief in the market," he said. "I think we will continue to have confirmations of the upward trend until we get into the speculative phase of the market."

That phase of speculation normally comes when the public joins in, and by any measure public interest in stocks seems low. Trading is down, and equity mutual funds saw investors withdraw cash most of last year, albeit at a moderate rate.

Despite those withdrawals, equity mutual funds have more assets now than a year ago, simply because the profits on investments in 1988 were large enough to offset the drain of withdrawals.

**Chairman Of LVMH Resigns**

**Arnault Seems Set To Take Control**

New York Times Service

**P**ARIS — Alain Chevalier, chairman of the luxury goods group LVMH Moët Hennessy Louis Vuitton resigned Thursday in the aftermath of a bitter boardroom power struggle. Bernard Arnault, the company's largest shareholder, is likely to be named as his successor at a specially convened meeting of the LVMH supervisory board on Friday.

"My decision was made because of my concern that the company should be run under the best conditions," said Mr. Chevalier, adding that "for several months, the principal shareholders of LVMH have had differences of opinion."

Mr. Arnault originally took a stake in LVMH as an ally of Mr. Chevalier's last September.

In his quest for the job as chairman, it appears that Mr. Arnault has won over the loyalties of the Moët family, which controls about 14 percent of the stock and 21 percent of the voting rights. Mr. Arnault has an agreement with the family that gives him pre-emptive rights if members seek to sell their holdings.

Anthony Tennant, chairman of Guinness PLC, who is a close friend of Mr. Chevalier's, however, is a potential wild card in this affair.

Mr. Tennant controls 40 percent of the holding company that Mr. Arnault formed to purchase his stake in LVMH, and Guinness stood to be a large winner if the break-up plan that sparked off this latest round in a long-running battle had won approval.

Mr. Arnault apparently became angry with Mr. Chevalier, in late December, when Mr. Chevalier agreed to a proposal put forward by the Vuitton camp, which holds 23 percent of the shares and 30 percent of the voting rights, that would have dissolved the stormy LVMH marriage.

Mindful that the continuing discord between the Vuitton and Moët factions could hurt business, Mr. Chevalier agreed with Henri Racamier, head of the Louis Vuitton group, to resign.

See LVMH, Page 13



Shopping for a VCR: Buyers are thinning out and existing owners are using their machines less.

**Fading Vision of VCR in Every Home**

**Sales Slide as America's Video Revolution Wears Thin**

By Paul Farhi

Washington Post Service

**W**ASHINGTON — Just when it seemed it would become as universal as the telephone or the television set, the videocassette recorder has begun to wane as an American home-entertainment staple.

Sales of the machines dropped sharply last year for the first time since VCRs came on the market, and are expected to fall again in 1989. The decline follows seven years of soaring sales that established the VCR as the hottest consumer-electronics product of the 1980s.

Moreover, those who have VCRs are using them less. According to A.C. Nielsen Co., the research group, the total time consumers spent recording programs fell 10.3 percent on a weekly basis during 1987, while the time spent playing back programs was down 5.8 percent.

During the first half of 1988, recording activity dropped another 10.6 percent while playback time was unchanged from the same 1987 period.

The slowing penetration of VCRs in American households may cause a rethinking of the ways people will entertain themselves in the future. This has important ramifications for electronics manufacturers, retailers and the television and advertising industries, all of whose fortunes have been affected by the VCR's popularity.

As an entertainment device, the recorder is "becoming stagnant and expected, it's no longer the exciting surprise it used to be for many people," said Faith Popcorn, chairwoman of BrainReserve, a New York market research firm. "The VCR isn't going away but it isn't growing. We're a very superficial society. We are constantly seeking the next new thing."

Until the early 1980s, videocassette recorders were largely a novelty; fewer than one in 10 households had one as recently as 1983. But sharp price declines and widespread availability of new movies and other programming sent sales to a peak of 12 million units in 1986.

Even though about 10.2 million units will be sold this year, some believe the percentage of households owning a VCR will not grow much in the near future. Currently, many buyers of VCRs are repeat purchasers replacing old models.

"From here on in each percentage-point gain becomes harder and more expensive" for manufacturers to achieve, said Tom Lusterback of the Washington-based Electronics Industries Association. "There are a lot of people out there who simply don't want to buy a VCR, either because it's too difficult for them to operate, or because they don't watch much TV, or some other reason."

This year, retailers and others say models selling for less than \$200 will be harder to find; this could further discourage would-be first-time buyers. The shrinking of the low end of the market reflects two trends: Asian manufacturers are passing on cost increases resulting from the devaluation of the dollar against their currencies, and they are seeking higher margins as their overall market contracts.

For television and advertising executives, slower growth in VCR ownership is welcome news. VCR viewing has been blamed, in part, for hurting the TV shows' ratings, though the popularity of cable television and other broadcasting alternatives are big factors, too.

The fractionalization of television audiences has See VCRs, Page 13

**Britain Plans To Investigate Bid for Plessey**

By Warren Getler

International Herald Tribune

**L**ONDON — Britain said Thursday that it would investigate a £1.7 billion (\$3 billion) British-German takeover bid for Plessey Co. on anti-competitive grounds and the predators responded by raising their stake in the company from around 2 percent to just below the maximum 15 percent allowed under the circumstances.

The raising of their stake suggested to industry analysts that the bidders, General Electric Co. of Britain and Siemens AG, were confident that the government's decision to refer their hostile offer to the Monopolies and Mergers Commission for a maximum three-month investigation would be only a temporary setback.

Plessey has rejected the bid, which was announced in mid-November. But it may yet counter-attack as part of an international group that could bid for GEC.

The European Commission announced that it was also launching an investigation of the GEC-Siemens bid on competition grounds. The commission has certain veto powers in cross-border takeovers.

Brussels-based officials at the European Commission said they hoped to conclude their investigation quickly. They said they would weigh the broader economic advantages of the proposed linking of the electronics companies against any possible violation of community competition regulations.

Plessey, among a host of defensive strategies, had campaigned for a formal probe by British and European antitrust authorities.

It was unclear Thursday whether Plessey would decide to pursue a so-called Pac-Man defense, in which it would turn predator—in alliance with a multinational consortium, which has not been well-defined—in a counterbid for GEC. A bid for GEC would be valued at about £7 billion, according to analysts.

The suspected consortium, believed to involve Thomson SA of France, STC PLC of Britain and possibly General Electric Co. of the United States, still had not formally identified its members or its intention to bid for GEC. The British

and U.S. General Electrics are not related.

A source at STC said that the British decision to investigate the GEC-Siemens bid has "taken the pressure off" to announce details of a countervailing bidding group for GEC, where a number of issues remain unresolved.

Metson Ltd., a company that the merchant-banking concern Lazard Brothers & Co. said was created as the basis for a possible consortium — said Thursday that "discussions were continuing," among the possible members. Analysts said that an announcement about a bid for GEC from Metson could come Friday or early next week but would be referred to the monopolies commission.

"There's no doubt that the consortium bid, if it materializes, would be immediately referred to the monopolies commission," said Chris Tucker, an equity analyst with Kleinwort Benson Securities.

Citing competition concerns in military electronics and traffic-control systems, Lord Young, Britain's secretary of trade and industry, ordered antitrust investigators to report within three months on the GEC-Siemens bid. Under British law, a bid lapses automatically when referred to the commission, but it can be resubmitted in accordance with the probe's findings.

Lord Young had acted on the advice of Sir Gordon Borrie, director-general of Britain's Office of Fair Trading, which is also provisionally examining the mooted counterbid for GEC.

Lord Young said GEC and Siemens would not be allowed to acquire more than 15 percent of Plessey through open-market purchases during the investigation.

Market sources said that GEC-Siemens snapped up around 89.5 million Plessey shares at 245 pence per share in midmorning purchases after the announcement, thus raising their stake in Plessey to 14.4 percent at a cost of about £219.3 million. GEC and Siemens had offered Plessey shareholders 225 pence per share when their bid was announced.

Plessey's shares had dropped See GEC, Page 13

**Currency Rates**

Cross Rates	Jan. 12
Australian dollar	1.2875
Belgian franc	36.145
British pound	1.6222
Canadian dollar	1.2875
DM	1.7875
French franc	6.5595
Italian lira	1,376.00
Japanese yen	163.64
New Zealand dollar	1.2875
Portuguese escudo	200.48
Spanish peseta	166.64
Swiss franc	1.4875
West German mark	1.7875
Yen	163.64

Other Dollar Values	Jan. 12
Australian dollar	1.2875
Belgian franc	36.145
British pound	1.6222
Canadian dollar	1.2875
DM	1.7875
French franc	6.5595
Italian lira	1,376.00
Japanese yen	163.64
New Zealand dollar	1.2875
Portuguese escudo	200.48
Spanish peseta	166.64
Swiss franc	1.4875
West German mark	1.7875
Yen	163.64

Forward Rates	Jan. 12
30-day	1.7875
60-day	1.7875
90-day	1.7875
120-day	1.7875
150-day	1.7875
180-day	1.7875

Interest Rates	Jan. 12
3-month	7.50%
6-month	7.50%
9-month	7.50%
12-month	7.50%

Key Money Rates Jan. 12	Jan. 12
3-month	7.50%
6-month	7.50%
9-month	7.50%
12-month	7.50%

Asian Dollar Deposits Jan. 12	Jan. 12
1-month	7.50%
3-month	7.50%
6-month	7.50%
12-month	7.50%

U.S. Money Market Funds Jan. 12	Jan. 12
1-month	7.50%
3-month	7.50%
6-month	7.50%
12-month	7.50%

Gold Jan. 12	Jan. 12
1-ounce	375.00
10-ounce	3,750.00
100-ounce	37,500.00

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## International Paper in French Bid

By Jacques Neher

PARIS — International Paper Co., pursuing its expansion drive, said Thursday that it was offering to acquire Ausseaud-Rey SA of France, Europe's leading manufacturer of photocopy paper.

Although International Paper did not release details of the bid pending approval by French authorities, analysts expected that it would be worth more than 1.3 billion francs (\$290 million).

The analysts said the offer would likely be at a slight premium to Ausseaud-Rey's closing share price on Wednesday, 613 francs. Trading in the stock was halted before Thursday's opening of the Paris Bourse.

International Paper said its bid was for all shares of Ausseaud-Rey and was friendly. The target company would not comment.

Ausseaud-Rey, with estimated 1988 sales of nearly 5 billion francs and earnings of 130 million francs, has an estimated 20 percent of the

European market for paper for copying machines. It is France's second-largest paper company, behind Arjomari SA.

International Paper, the world's largest paper company with 1988 sales of \$10.5 billion, is the largest player in the U.S. market for photocopy paper, with a 25 percent share. It is based in Purchase, New York.

In December, International Paper agreed to buy the Diford photographic papers unit from Ciba-Geigy AG.

The French stock market has viewed Ausseaud-Rey, based in the Paris suburb of Velizy-Villacoublay, as a takeover target for the past year. The chairman, Jacques Caloud, is 67, and just 15 percent of the capital is closely held.

"It has 80 percent of its shares in free float and is not large enough by itself to compete with the other big players in the world," said Susanna Hardy, analyst with DKL James Capel.

Ausseaud-Rey went through a re-

structuring over the past five years, turning from a loss of 22 million francs in 1985 to a profit of 131 million in 1987.

Since last fall, the French company had sought to be acquired by Torras Hostench SA of Spain. Torras Hostench, a holding company with significant paper industry interests, is 40 percent owned by the Kuwait Investment Office.

Last December, talks broke off when Javier de la Rosa, Torras Hostench's vice president, declared that Ausseaud-Rey, then trading at 520 francs, was too expensive.

A spokesman, Alfredo Fraile, said Thursday that Torras Hostench would not respond to the International Paper offer.

"It's a good company, but we thought it was too expensive then, and we still do," Mr. Fraile said.

He noted that Torras Hostench recently paid only five times earnings to purchase a Belgian paper concern, Cellulosas des Ardennes, and that Ausseaud-Rey was priced by the market at 15 times earnings.

## Ogilvy Adopts Poison Pill After Rumors of a Bid

Reuters

NEW YORK — Ogilvy Group adopted Thursday a shareholder-rights plan designed to deter any unwanted takeover attempt, after its stock price rose sharply on rumors that a bidder might be seeking the U.S. advertising group.

Under the plan, known as a poison pill, one common stock purchase right per share will be distributed as a dividend on Jan. 23. The chairman, Kenneth Roman, who joined the group in early 1988, said, "The plan is designed to deal with the very serious problem of unilateral actions by hostile acquirors that are calculated to deprive Ogilvy's board and its shareholders of their ability to determine the destiny of the company."

The company said it was aware of the recent speculative trading in its stock, which analysts said was in response to takeover rumors. The stock fell \$2.75 to \$29.75 after the announcement. It had closed last week at \$27.50.

"We have no knowledge that anyone is interested in the company," said an Ogilvy spokesman, Jonathan Rinehard. He said the group had not received any overtures or had any contacts about a takeover.

Ogilvy, which reported 1987 sales of \$490 million, said it adopted the plan in light of amendments last December to New York State business law that clarified the legal status of rights plans. "The board was also mindful of the recent trading activity in the company's stock," Ogilvy said.

## No Lomrho Bid for Now, Bond Says

Statement by Largest Shareholder Pushes Stock Down

Reuters

SYDNEY — The Australian investor Alan Bond said Thursday that he had no immediate plans to launch a bid for the British trading company Lomrho PLC, of which he is the largest shareholder with a 21.6 percent stake.

His statement, in a television interview, pushed Lomrho's share price down on the London Stock Exchange. At the close there, the shares had fallen 15 pence to 335 pence (\$6), but were above the day's low of 315 pence.

Mr. Bond, chairman of Bond Corp. Holdings, said, "Certainly Lomrho is not an acquisition target for us at the present time."

Bond Corp. and its subsidiaries have amassed the pivotal stake in Lomrho in recent months, surpassing the 15.6 percent held by Lomrho's chief executive, Roland W. (Tiny) Rowland.

Analysts say that Bell Resources Ltd., a Bond unit that holds the bulk of the total 76 million shares in Lomrho, will soon have amassed 1.8 billion Australian dollars (\$1.56 billion), and many expect a bid for Lomrho early in 1989.

While appearing to rule out an early bid for Lomrho, Mr. Bond said Bell Resources was on course to make a major bid.

"We're not planning anything else in Bond Corp., so the area of activity will really be directed to Bell Resources, and that as a company has the capacity to do something major," he said. "We are looking at a number of initiatives there that would be a cash-flow generating business of world scale."

The holding company for the securities house Bear, Stearns & Co. also said that it would buy back up to 4 million shares of its stock in an offer beginning Friday and ending Feb. 10. The plan will cost Bear Stearns \$49 million to \$56 million.

Bear Stearns said profit for its second quarter, which ended Dec. 31, increased to \$63.3 million, or 73 cents a share, from \$50.0 million, or a loss of 3 cents per share after preferred stock dividends, in the comparable period of 1987. Revenue for the quarter was \$624.6 million, up 41 percent from \$442 million.

The company said the results reflected strong performance in its stock trading and investment banking activities.

For the first six months of the 1988-89 financial year, Bear Stearns reported earnings of \$83.8 million, or 94 cents a share, compared with \$27.4 million, or 26 cents a share, a year earlier. Revenue was \$1.1 billion, up from \$906.6 million.

Bear Stearns Cos. has about 6,000 employees in 13 offices worldwide.



Alan Bond

"I thought he was prepared to see us become a major shareholder and maybe negotiate a bid for the company."

Alan Bond, speaking of Lomrho's Tiny Rowland.

Mr. Bond, in the interview on the Channel Nine network, owned by Bond Media Ltd., said he had been surprised by Mr. Rowland's vigorous opposition to his holdings.

"I thought he was quite prepared to see us become a major shareholder and maybe even negotiate a bid for the whole company with him one day," Mr. Bond said.

He said his company was "not necessarily seeking control of the company" and he criticized Mr. Rowland for preparing a document alleging that Bond Corp. had 14 billion Australian dollars in debt and was "technically insolvent."

Mr. Bond said the document had "no validity whatsoever." He said that the company had been cutting debt "very substantially" and that the total now stood at about 5 billion dollars.

He said half-year results at the end of January would show Mr. Rowland's document "to be just the pieces of rubbish that I've said it was." He added that he hoped the results would lead to a review of Bond Corp.'s credit rating, which was cut in December.

Bond Corp.'s profit for the year ended June 30, 1988, rose 200 percent to 354.73 million dollars on sales of 4.62 billion.

"I think he has a responsibility to make sure he doesn't use the company's funds against any one shareholder," Mr. Bond said of Mr. Rowland.

Mr. Bond also said that Bond Corp. expected to write off about 38 million dollars invested with Rothwells Ltd., a Perth finance house that went into liquidation in November after the failure of a multimillion-dollar rescue mounted by leading Western Australian business executives and the state government.

Court-appointed liquidators have proposed a plan whereby individual depositors in Rothwells will get most if not all their savings back.

## Black & Decker To Buy Unit From Allegheny

Compiled by Our Staff From Dispatches

PITTSBURGH — Allegheny International Inc. said Thursday that it had tentatively agreed to sell its Oster/Sunbeam appliance division to Black & Decker Corp. for \$260 million.

The sale is part of a bankruptcy reorganization plan to be proposed soon, the company said. Allegheny International said it would retain for five years the right to use the Sunbeam and Oster trade names on other existing products. It has been operating under Chapter 11 bankruptcy protection for nearly a year.

The maker of small appliances also said it had asked a bankruptcy court to void an announced buyout plan by a former ally, Donaldson, Lufkin & Jenrette Securities Corp.

Allegheny's directors voted to take such action late Wednesday, citing the securities firm's deal with other investors to carve up the company. (Reuters, AP)

## Sweden's State-Run Procordia Bids for U.K. Candy Firm

Reuters

STOCKHOLM — The Swedish state-controlled conglomerate Procordia AB bid \$63 million (\$112 million) on Thursday for Britain's Bassetts Foods PLC, maker of Jelly Babies and other candies.

Bassetts immediately rejected the 400 pence-a-share offer from Procordia, which said it had bought a

10.1 percent holding in Bassetts' common stock on Tuesday.

The day before Procordia's purchase, Bassetts' stock had closed at 293 pence on the London Stock Exchange. It rose Wednesday to the bid price, and on Thursday, rose to 440 pence after the offer was made public.

Bassetts, which is based in Sheffield, northern England, said the

bid was "unwelcome and unsolicited."

The British candy company said the proposals by Procordia, which is 81 percent state-owned, were not in the interests of Bassetts and its shareholders.

A Bassetts spokesman said the company has "excellent prospects as an independent entity." He said

that later, Bassetts would respond further.

Bassetts is best-known for its candies, including licorice and wine gums. It owns several big brand names in the British market, including Liqueur Alibon, Dolly Mixtures as well as Jelly Babies.

The Procordia statement said Bassetts had pretax profit of \$4 million last year on sales of \$82 million. The company has around 2,600 employees.

Procordia is a conglomerate with interests in consumer goods, health care, engineering, petrochemicals, publishing, and restaurants and hotels.

It dominates Sweden's tobacco market, from which it derives half of group profit.

Procordia's profit for the first eight months of 1988 grew by 49 percent from the year-earlier period to 128 billion kronor (\$204 million), after financial items.

The company sold shares to the public in a partial privatization in August 1987, in what was billed as the largest public offering in the history of the Swedish stock exchange.

A Procordia spokeswoman said the company had been in touch with Bassetts management before the bid.

She said the bid would close on Feb. 2.

## Danish Biotechnology Companies to Merge

Reuters

COPENHAGEN — Novo Industri A/S and Nordisk Genotefte A/S said Thursday that they would merge, subject to shareholders' approval, creating a company with sales of more than 6 billion kroner (\$850 million) a year.

They said the foundations controlling the two insulin and biotechnology companies had already agreed to merge into Novo-Nordisk A/S, which would be owned equally.

Novo-Nordisk would be one of the world's largest biotechnology companies and one of Denmark's largest industrial concerns, with 7,350 employees, the companies' joint statement said.

Shareholders in Nordisk Genotefte will be offered three 20-kroner

shares in Novo-Nordisk for each 100-kroner share they now hold. The merger will mean no change in Novo Industri shareholders' nominal holdings.

Share capital would total 633 million kroner, consisting of 93 million in A capital and 540 million in B capital, the statement said. Each A share carries 10 votes and each B share has one.

The merged Novo-Nordisk Foundation, with 2.5 billion kroner of capital, will own all A shares and about 26 percent of the B shares, giving it just under 70 percent of the votes.

The companies said the new concern would be large enough "to be a major player in the increasingly competitive world market for pharmaceutical products."

Novo reported net income of 516 million kroner in the first nine months of 1988, up from 336 million a year earlier, on net sales of 3.98 billion, against 3.65 billion. It said it expected a major increase in earnings in the full year from net sales of 4.9 billion and net income of 477.3 million in all of 1987.

Nordisk Genotefte had group pretax profit of 40.2 million kroner on net sales of 507.1 million in its first half, ending in September, and 1987-88 pretax profit of 143.6 million on sales of 1.03 billion. It said it expected higher turnover in 1988-89 but little change in profits.

Novo has developed a new way of making human insulin through genetically engineered yeast and has been awaiting approval to start mass production. Nordisk Genotefte also produces human insulin.

## French Inquiry Into Triangle Stock Likely to Spread to Other Nations

Compiled by Our Staff From Dispatches

PARIS — An investigation by the Paris Bourse into a politically tinged French insider-stock dealing scandal is likely to spread to the United States, Switzerland and Luxembourg, Finance Ministry sources said Thursday.

Finance Minister Pierre Bérégovoy was also pressed Thursday by opponents of the Socialist government for a legislative inquiry into how some investors apparently had advance knowledge of a \$1.26 billion takeover of Triangle Industries Inc., the U.S. packaging concern, by Pechiney SA, France's state-owned aluminum company.

The value of Triangle stock rose fivefold shortly before Pechiney announced its friendly bid on Nov. 21.

"I cannot make any general guarantees, but I can only make a guarantee of the secrecy within the ministries," Mr. Bérégovoy said at a news conference on Thursday.

An official from the U.S. Securities and Exchange Commission was due in Paris to help French investigators track down buyers of shares in Triangle, ministry sources said. Officials from its French counterpart,

the Commission des Opérations de Bourse, also are to travel to the United States.

The SEC in December alerted France that the volume of Triangle stock traded had jumped tenfold in the days before the takeover bid was made.

Pechiney paid \$56 a share for stock, which had traded for around \$10.50 the week before.

Finance Ministry sources, giving few details, said the inquiry into the affair would probably spread to Switzerland and Luxembourg.

Nelson Peltz, chairman of Triangle, said in an interview with the *Novel Observer* magazine published Thursday that he had been summoned before the SEC and would appear within a few weeks.

In France, the inquiry has erupted into a political dispute after press suggestions that leading Socialists face COB questioning over Triangle share trading.

Mr. Bérégovoy on Thursday rose to the defense of Alain Bouill, an aide who was named as one of those under investigation. "The current campaign of rumors which

has involved my cabinet director, Alain Bouill, is not a healthy campaign. I am surrounded by honest men in whom I have confidence," he said.

Max Théret, an investor considered close to the Socialist Party, has confirmed that he bought shares in Triangle before the deal but said it was a coincidence.

Mr. Théret said he gave his broker an order to buy Triangle shares on Nov. 10 "after noticing that things were moving quickly in the packaging business." He said he regretted being "too smart."

Mr. Théret and Roger-Patrice Pelat, a retired industrialist, have already been heard by COB investigators. Mr. Pelat is a friend of President François Mitterrand. Samir Traboulsi, a Lebanese businessman, also has been summoned by the COB.

The main opposition parties on Thursday demanded a rapid legislative inquiry.

Alain Lamassoure, spokesman of the Union for French Democracy, a center-right opposition group, said France risked ridicule because of the political implications of the probe. "France must present

the image of a modern democracy, not a banana republic," he said.

The conservative Rally for the Republic said: "The names of prominent people close to the presidential palace and the Ministry of Finance are being implicated, and there is a growing feeling in public opinion that facts are being suppressed in the Pechiney case."

Sources close to Mr. Mitterrand said the president did not feel the Pechiney affair had anything to do with him, because he was convinced the apparent leak had not come from the presidential palace. The sources spoke to journalists on condition they were not identified.

Investigators are hunting for the purchasers of around 150,000 shares that may have traded abroad. Orders for around 55,000 shares have been identified from French buyers, according to Finance Ministry sources.

Mr. Bérégovoy has denounced the investigation as a "political plot" and openly questioned the capacity of the COB to conduct the investigation. (Reuters, AFP)

## LVMH: Chairman Leaves Struggle GEC: Investigation of Plessey Bid

(Continued from first finance page)

ton unit, that the merger should be dissolved and suggested that Guinness buy into the Moët-Hennessy operation. Guinness, which markets Johnny Walker and Dewars scotch in addition to Guinness beer, has major distribution contracts with Moët-Hennessy.

The battle for control of LVMH has raged almost since the day when Louis Vuitton, headed by Mr. Racamier, and Moët-Hennessy, headed by Mr. Chevalier, merged in June 1987. Mr. Racamier had complained that the Moët faction had too much power and that the image of Vuitton luggage was being tarnished by Moët & Chandon champagne, which can be found in almost any French grocery store.

## VCRs: Fading Vision as Sales Slide

(Continued from first finance page)

made it more expensive and more difficult for advertisers to reach viewers. VCRs also have made it possible for viewers to fast-forward past commercials on programs they record off the networks.

According to Mr. Wiener of BBDO, households owning a VCR spent about seven hours a week using their machine last year, out of 50 hours of total weekly viewing. About two of these seven hours were spent recording a program. 1.5 hours was spent playing it back and 3.5 hours was reserved for watching prerecorded videos.

On the retail side, a slowing VCR market portends an equal dampening of demand for movie rentals. "Rental's Inc., the Washington area's largest video chain and second largest in the United States, projects that the number of people holding membership cards per store will grow 6.5 percent by the end of the fiscal year, the slowest growth rate in its history."

Mr. Arnault, who at 39 already owns the fashion houses of Christian Dior and Christian Lacroix, has said his ambition is to run the world's largest luxury goods company.

In a flurry of spending last week, Mr. Arnault increased his stake in LVMH from 38 percent, or almost 30 percent of the voting rights, to nearly 45 percent, just short of a one-third blocking minority. Some shares held by the family members have double voting rights.

Despite Mr. Arnault's desire to keep LVMH united, the Paris Bourse was rampant with rumors Thursday night that the supervisory board would be discussing the break up of the company. "It's possible that it could be dismantled," said Susanna Hardy of the James Capel & Co. brokerage firm.

(Continued from first finance page)

Thursday morning after the referral announcement to 210 pence, from Wednesday's close of 228 pence. But they then soared back to a peak of 235 pence on news that GEC-Siemens had raised its take by buying Plessey shares at 245 pence. The shares closed the day at 233 pence.

Analysts said the large-scale purchases by the two Plessey predators was a clear indication that they hoped to pursue their bid — and at a substantial premium to the original price — after the monopolies commission completes its investigation.

"The move by GEC-Siemens to buy Plessey shares at 245 pence today will put further pressure on Plessey," said Mr. Tucker of Kleinwort. "Plessey will have to prove to its shareholders that what it is doing in the Matsun consortium will yield better value than what GEC-Siemens is offering at 245 pence per share."

In 1986, the monopolies commission found that a 1985 bid for Plessey by GEC acting alone would have sharply curtailed competition in both military electronics and telecommunications.

GEC dropped the bid after the objections were made.

GEC revived its designs on Plessey two months ago but with Siemens as its partner at a time when cross-border European takeovers have come into vogue ahead of the 1992 deadline for an end to internal market barriers in the European Community.

GEC and Siemens have sought to assuage Ministry of Defense concerns by asserting that Plessey's military-related operations in Britain would be run separately from those of the two bidding companies. If necessary, certain controversial units at Plessey military systems could be sold, GEC has said.

Mike Styles, industry analyst with Smith New Court Agency in London, said, "An earlier bid by GEC was turned down mainly because of objections by the Ministry of Defense. The same objections probably still apply — but this time the investigation will be against a background of 1992 European Community integration and the consolidation of a European electronics industry."

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Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The numerical symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

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Crash Folder Oct08	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90-94	95-99	100-104	105-109	110-114	115-119	120-124	125-129	130-134	135-139	140-144	145-149	150-154	155-159	160-164	165-169	170-174	175-179	180-184	185-189	190-194	195-199	200-204	205-209	210-214	215-219	220-224	225-229	230-234	235-239	240-244	245-249	250-254	255-259	260-264	265-269	270-274	275-279	280-284	285-289	290-294	295-299	300-304	305-309	310-314	315-319	320-324	325-329	330-334	335-339	340-344	345-349	350-354	355-359	360-364	365-369	370-374	375-379	380-384	385-389	390-394	395-399	400-404	405-409	410-414	415-419	420-424	425-429	430-434	435-439	440-444	445-449	450-454	455-459	460-464	465-469	470-474	475-479	480-484	485-489	490-494	495-499	500-504	505-509	510-514	515-519	520-524	525-529	530-534	535-539	540-544	545-549	550-554	555-559	560-564	565-569	570-574	575-579	580-584	585-589	590-594	595-599	600-604	605-609	610-614	615-619	620-624	625-629	630-634	635-639	640-644	645-649	650-654	655-659	660-664	665-669	670-674	675-679	680-684	685-689	690-694	695-699	700-704	705-709	710-714	715-719	720-724	725-729	730-734	735-739	740-744	745-749	750-754	755-759	760-764	765-769	770-774	775-779	780-784	785-789	790-794	795-799	800-804	805-809	810-814	815-819	820-824	825-829	830-834	835-839	840-844	845-849	850-854	855-859	860-864	865-869	870-874	875-879	880-884	885-889	890-894	895-899	900-904	905-909	910-914	915-919	920-924	925-929	930-934	935-939	940-944	945-949	950-954	955-959	960-964	965-969	970-974	975-979	980-984	985-989	990-994	995-999	1000-1004	1005-1009	1010-1014	1015-1019	1020-1024	1025-1029	1030-1034	1035-1039	1040-1044	1045-1049	1050-1054	1055-1059	1060-1064	1065-1069	1070-1074	1075-1079	1080-1084	1085-1089	1090-1094	1095-1099	1100-1104	1105-1109	1110-1114	1115-1119	1120-1124	1125-1129	1130-1134	1135-1139	1140-1144	1145-1149	1150-1154	1155-1159	1160-1164	1165-1169	1170-1174	1175-1179	1180-1184	1185-1189	1190-1194	1195-1199	1200-1204	1205-1209	1210-1214	1215-1219	1220-1224	1225-1229	1230-1234	1235-1239	1240-1244	1245-1249	1250-1254	1255-1259	1260-1264	1265-1269	1270-1274	1275-1279	1280-1284	1285-1289	1290-1294	1295-1299	1300-1304	1305-1309	1310-1314	1315-1319	1320-1324	1325-1329	1330-1334	1335-1339	1340-1344	1345-1349	1350-1354	1355-1359	1360-1364	1365-1369	1370-1374	1375-1379	1380-1384	1385-1389	1390-1394	1395-1399	1400-1404	1405-1409	1410-1414	1415-1419	1420-1424	1425-1429	1430-1434	1435-1439	1440-1444	1445-1449	1450-1454	1455-1459	1460-1464	1465-1469	1470-1474	1475-1479	1480-1484	1485-1489	1490-1494	1495-1499	1500-1504	1505-1509	1510-1514	1515-1519
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## CURRENCY MARKETS

## Dollar Gains, Central Banks Quiet

**NEW YORK** — The dollar edged higher in light trading Thursday, recouping some of the losses incurred on the previous day, when North American and European central banks sold the currency to deter its recent rally.

"Trading is pretty quiet today, particularly after all the intervention we saw Wednesday," said Frank Pustatnik, a vice president at the Bank of Boston.

Dealers said central banks had not been seen intervening in open markets on Thursday, though the West German Bundesbank sold a modest \$10 million at the midday mark fixing in Frankfurt.

The dollar rose to 1.8273 Deutsche marks from 1.8262 DM on Wednesday, it had closed at 1.8355.

The U.S. unit also rose to 126.425 yen from 125.965, to 1.5578 Swiss francs from 1.5533 and to 6.2215 French francs from 6.2185.

The British pound slipped to \$7.840 from \$7.855.

Dealers said activity was mostly technical but that relatively high U.S. interest rates attracted investors to the dollar.

They said they expected the dollar to hold in a narrow range until

## London Dollar Rates

Currency	1/16	1/32
Deutsche mark	1.8273	1.8280
Swiss franc	1.5578	1.5585
French franc	6.2215	6.2220
British pound	7.840	7.855

Source: Reuters

the release of U.S. trade data for November, scheduled for Wednesday. Market participants were not expecting much improvement from the \$10.3 billion October deficit.

Traders, however, said retail sales and producer price figures for December, due out Friday, could provide some support for the dollar.

Retail sales are forecast to rise 1.3 percent after November's sharp 1.1 percent gain, while producer prices are expected to rise 0.4 percent after a 0.3 percent November advance.

In earlier trading in Europe, the dollar ended almost unchanged as the markets digested the intervention that occurred on Wednesday.

The British pound, meanwhile, remained at a two-and-a-half-year high against the Deutsche mark and gained against the dollar.

The dollar slipped to 1.8255 DM in London from 1.8290 on Wednesday, but it edged up to 126.15 yen from 126.05.

"The market seems to be evenly split between bulls and bears," said Nigel Rankine, corporate foreign exchange manager at First Chicago.

Japanese insurance companies and U.S. corporations were said to be buying dollars, countering downward pressure from speculators. There was support for the U.S. currency just below 1.82 DM and 126 yen.

The dollar rose to 1.5555 Swiss francs from 1.5545 and advanced to 6.2275 French francs from 6.2215.

The pound closed at 3.2573 DM, unchanged, and at \$1.7850, up from \$1.7815. On its trade-weighted index it was unchanged at 98.0.

Dealers said the pound continued to benefit from relatively high British interest rates.

Comments in Parliament by Prime Minister Margaret Thatcher and Nigel Lawson, chancellor of the Exchequer, had no perceptible impact on sterling, Mrs. Thatcher affirmed that inflation was her government's top priority, while Mr. Lawson said he saw signs that last year's monetary tightening was working to cool domestic demand.

Sterling's relative composure contrasted with its surge Wednesday after Mr. Lawson said a strong pound did not worry him.

## Foreign Buying Of Japan Stocks Has Recovered

Source: Reuters

**TOKYO** — Foreign investors became net buyers of Japanese stocks in 1988 for the first time in five years, stock exchange data show.

Buying orders worth 20.96 trillion yen (\$166 billion) exceeded selling orders of 20.92 trillion by 48.84 billion yen.

Foreign investors became net sellers in 1984 and in 1987 sold a record 7.19 trillion yen more than they bought. The return to net buying was partly because Japanese share prices recovered the most quickly after the October 1987 stock market crash, brokers said.

Individual Japanese investors sold 3.35 trillion yen more in stocks than they bought in 1988, with sales totaling 68.39 trillion and buying 65.04 trillion, the data show.

Securities houses sold a net 153.46 billion yen, with sell orders at 5.91 trillion and buy at 5.75 trillion. Corporations bought a net 6.91 trillion yen, buying 116.69 trillion and selling 109.78 trillion.

## Stoltenberg, Brady Meet Amid Signs of Strain

Compiled by Our Staff From Despatches

**WASHINGTON** — The West German finance minister, Gerhard Stoltenberg, met Treasury Secretary Nicholas F. Brady and other high-ranking U.S. officials Thursday amid signs that rising U.S. interest rates are starting to cause strains in Europe.

In London, the British chancellor of the Exchequer, Nigel Lawson, told Parliament that finance ministers and central bankers of the Group of Seven industrialized nations could meet in the next few weeks.

Before talks this week with Mr. Brady in Washington, Mr. Lawson had indicated that he did not see the need for an early meeting of the group, which comprises the United States, Japan, West Germany, France, Britain, Italy and Canada.

West German officials said the outlook for interest rates was high on Mr. Stoltenberg's Washington agenda, which also includes talks with the U.S. budget director-designate, Richard Darman.

A competitive round of interest rate increases in the autumn of 1987 led to a bitter row between West Germany and the United States and contributed to the stock market collapse that October.

Cooperation among the leading industrialized nations is much closer today, and officials do not fear another full-blown trans-Atlantic clash.

But if U.S. interest rates continue to climb, economists said European countries might have no choice but to edge their own rates higher to attract foreign investors and prevent their currencies from falling sharply.

West German officials, like many experts here and overseas, put most of the blame for rising rates on the U.S. budget deficit and want assurances that President-elect George Bush will present a credible plan for curbing the gap.

The Bundesbank, the West German central bank, decided earlier this week not to raise its money market rates any further for the time being.

But the Dutch central bank raised a key rate on Thursday to 5.7 percent from 5.6 percent and the Swiss central bank warned Wednesday that it might have to tighten credit.

Central banks around the world are trying to dampen the inflationary pressures stemming from expanding global economic growth in 1988. The Federal Reserve, the U.S. central bank, has pushed short-term U.S. rates up to more than 9 percent from 6.5 percent last March.

A side effect of the more attractive rates of return has been a strong inflow of international capital, which has caused the dollar to rally against the Deutsche mark.

Because the inflation-conscious West Germans prefer to keep their own currency strong,

the dollar's surge has fueled speculation of a rift between Washington and Bonn. The dollar was trading at 1.8248 DM in New York on Thursday at midday, comfortably below Wednesday's high near 1.84 DM.

But U.S. and West German sources on both sides played down the talk of a split and noted that the dollar had fallen back this week after concerted dollar selling by central banks.

Although the Bundesbank was at times intervening alone last week, it has since been joined in the effort to hold down the dollar by several other central banks, including the Fed.

In Paris, the French finance minister, Pierre Bérégovoy, said the death of Emperor Hirohito of Japan had complicated plans for an early February meeting of the Group of Seven. France and West Germany were the first to press for a meeting shortly after the Bush administration takes office on Jan. 20.

Japan was initially hostile to such a meeting before the routine G-7 conference scheduled for April, but agreed earlier this month to talks at the start of February. But the emperor's funeral will not take place until Feb. 24, and next month Japan's new finance minister, Tatsu Maruyama, will have to defend his 1989-90 budget.

Mr. Bérégovoy said he did not plan to go to Washington to meet Mr. Brady, adding that he preferred multilateral meetings.

(Reuters, AFP, AP)

## Japan Content to Look On as Dollar Moves Against Mark

**TOKYO** — Japan has no plans to intervene in the foreign exchange market now, despite the recent surge of the dollar, a senior Finance Ministry official said Thursday.

Makoto Utsui, director general of the ministry's international finance bureau, said the dollar was stable against the yen. Market interest is concentrated on the dollar's movement against the mark and other European currencies, with the yen on the sidelines, he said.

Other government sources said Thursday that the United States had assured Japan that it is following a restrained monetary stance. U.S. officials were seeking to convince the Bank of Japan to continue a somewhat expansive policy, the sources said.

They said that was the message delivered this week by Wayne Angell, a Federal Reserve Board governor, to counterparts at the Bank of Japan.

If Japan were to raise rates, reducing the difference with higher U.S. interest costs, it

could hinder Japanese capital flows to the United States and have an adverse impact on the stock markets of both countries, traders said.

Some private economists have expressed fears that rising oil prices, contained rapid money supply growth and a weaker yen could convince Japan to tighten policy.

So far, there is no concrete sign that the Bank of Japan is tightening its monetary policy, traders said. However, central bank officials have recently voiced concern about inflation, heightening fears that they may be about to act.

Akira Nambu, director of the Bank of Japan's research and statistics department, said last week that prices of goods in Japan could rise at an annual rate of 2 percent to 3 percent in the coming fiscal year unless a careful watch is kept on inflation.

Yoshio Suzuki, executive director of the central bank, said earlier this month that Japan could not be too optimistic about the outlook for prices in the fiscal year that begins April 1.

Mr. Angell told an economic seminar this week that the Fed was following a policy of monetary restraint, while West Germany and Japan have adopted more expansive stances.

He called that mix appropriate and said it had helped achieve exchange-rate stability.

David Hale, chief economist of Kemper Financial Services, told the seminar that sky-high Tokyo stock prices raise the question whether Japanese monetary policy has been too lax.

Over the first three business days of this week, the 225-share Nikkei index gained 933.91 points. It closed unchanged on Thursday.

But the Bank of Japan does not seem to be leaning toward a tighter policy now, money traders said.

The bank supplied the market with only 195 billion yen (\$1.54 billion) on Wednesday, against a money market shortage of 960 billion yen. But on Thursday it bought 700 billion yen in one-week commercial bills at rates below the market, after the dollar fell on Wednesday.

## SHAD: Drexel Asks Former SEC Heads to Join Firm

(Continued from page 1)

scandal that has entangled it since late 1986.

The firm's objective is to develop a fresh outlook on the problems and opportunities it faces, and to continue to make an important contribution to the nation's capital markets," Drexel said in a brief statement disclosing the job offers to Mr. Shad and Mr. Hills.

Mr. Shad ran the SEC when it began an aggressive fraud probe of Drexel after the Wall Street speculator, Ivan F. Boesky — who is now serving a prison sentence — implicated the firm in its illegal acts in November 1986.

That probe resulted in an enforcement effort by the commission against Drexel for securities fraud as well as the plea-bargain settlement with the firm by the U.S. Attorney's Office in Manhattan reached on Dec. 21.

Mr. Shad is credited with

strengthening the agency's enforcement efforts to reduce insider trading and other Wall Street abuses. He resigned his post at the commission in 1987 after a six-year tenure, to accept the ambassadorship.

News that Mr. Shad and Mr. Hills had been approached came a day after Drexel said that it and Howard H. Baker Jr., the former White House chief of staff and Senate majority leader, had agreed to end talks about a possible role for him in senior management.

Mr. Baker had been negotiating with Drexel since November about assuming a role in its management, possibly as chairman.

His involvement generated considerable publicity because it was seen as part of a possible Drexel strategy to lessen the impact of criminal charges that were then expected against the firm and some of its leading employees.

His law firm, Baker Worthington

Crosby Sunberry & Woolf, was retained by Drexel to work on matters the firm described as "internal corporate governance." A Drexel spokesman, Steven Ansdor, said Thursday that this relationship remained unchanged.

The announcements came as Drexel and the SEC were working to settle a civil suit filed by the enforcement agency against the firm in September. Settlement of the criminal fraud case against Drexel is contingent upon resolution of the SEC suit.

Drexel officials, speaking on condition of anonymity, said the talks were progressing and might be completed in a few days.

Drexel had denied any wrongdoing up until last month, when it was threatened with possibly crippling criminal charges of racketeering unless it agreed to plead guilty to lesser charges.

## Chemical's Net Is Boosted by Brazil Income

Source: Reuters

**NEW YORK** — Chemical Banking Corp. reported Thursday a 25.7 percent rise in net profit for the fourth quarter of 1988, to \$288.5 million from \$229.6 million a year earlier.

It said income was lifted by the receipt of almost two years of interest payments on Brazilian loans.

Earnings per share rose to \$4.66 from \$3.83 in the year-earlier quarter, Chemical said, noting that the Brazilian payments added \$159 million to its income.

For the year, Chemical earned \$753.6 million, or \$12.02 a share, after a loss of \$853.7 million in 1987.

**Thursday's OTC Prices**

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

Via The Associated Press

12 Month High Low Stock Div. Yld. PE Ratio High Low 4 P.M. CLOS

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## BOOKS

## THE BOY WHO COULDN'T STOP WASHING

By Judith Rapoport. 260 pages. \$18.95. E. P. Dutton, 2 Park Avenue, New York. N. Y. 10016.

Reviewed by Anthony Storr

Do you ever have to check whether you have closed the front door, although you know you must have done so? Are you ever plagued with thoughts that you might have harmed someone unwittingly? Are you ever annoyed by a time running in your head that you cannot expel? Do you ever feel compelled to wash your hands over and over, although they are clean?

If so, you know what it is to suffer from the mildest, most common manifestations of obsessive-compulsive disorder, or OCD.

Judith Rapoport, a psychiatrist who heads the child psychiatry branch at the National Institute of Mental Health, has written an illuminating account of this prevalent mental health problem, illustrated with many verbatim descriptions of the bizarre symptoms recorded by her patients.

OCD varies in severity from the minor disorders listed above to a condition in which the sufferer's whole life is dominated by rituals. I once knew a woman who was so concerned about the length of her skirt that it might take her hours to dress. If the skirt was too long, people would despise her for being frumpish; if too short, they would think she was being provocative. She could never "get it right," and suffered torment in consequence.

Rapoport's research has turned up a number of facts about OCD that are not generally known, even among psychiatrists. First, sufferers are so reluctant to admit that they have symptoms that appear absurd that they become expert at concealing them. Research has demonstrated that the disorder is far more common than hitherto assumed.

About three million adults and a million children in the United States suffer from OCD. Half the time, OCD starts in childhood, when the cases of boys outnumber girls; but, later in life, the disorder affects both sexes equally.

As psychiatrists in training, both Dr. Rapoport and I were taught that sufferers from OCD invariably had "obsessional personalities" even before the onset of their

illness. That is, they were meticulous, scrupulous and overconcerned with cleanliness, control and order. This turns out not to be the case. Only about 20 percent of OCD cases are of this type. Many exhibit fanatic neatness in connection with their obsessions, but are sloppy in other respects.

Compulsive washing is probably the most common kind of ritual. The boy of 14 who gives the title to this book spent three hours in the shower every day and then took another two hours to get dressed.

Conventional psychoanalytic explanations of compulsive behavior have been superseded. Freud, himself an obsessional personality, postulated that obsessional neurotics were stuck in the "anal" stage of psychosexual development, the victims of overzealous toilet training combined with genetic predisposition. Research has not supported his claim that rearing is at fault. Nor has psychoanalysis proved an effective treatment for sufferers from OCD. Behavior therapy — that is, a combination of techniques of modifying behavior based upon Pavlovian principles — is partially effective in helping sufferers to control at least some of their compulsions. Sometimes more effective, but still unpredictable, is the use of an antidepressant.

The facts that obsessive-compulsive rituals occur in diseases of the brain and respond to drugs that alter brain chemistry raise the question of whether compulsive rituals are actually brain patterns that have somehow become autonomous, dissociated from the rest of the brain and therefore from the controlling "ego."

This concept is supported by the accounts given by sufferers, who constantly reiterate that they know their behavior is ridiculous but that they "can't help it."

Rapoport makes the illuminating suggestion that obsessional rituals can be conceived as patterns of behavior that were originally adaptive, but have become dissociated and therefore exaggerated. We know that many behavior patterns are encoded. The majority of obsessional rituals are concerned with basic needs, and only look odd because they are compulsive, out of control and overdone. "Cleaning, avoiding, checking, and repeating relate to the most basic preoccupations of cleanliness, safety, aggression, and sex."

Rapoport has written a popular book that relies heavily on personal histories to engage the reader's attention.

Anthony Storr, a psychiatrist, is the author of many books, most recently "Solitude: A Return to the Self." He wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

to East, and won the club return with the ace to reach this ending:

cause the declarer attempted finesse in both minor suits.

THE diagramed deal helped a Long Island foursome capture the women's team title at the regional championship in Stamford, Conn., Oct. 20. North and South were Selma Silverman of Roslyn, Long Island and Marjorie Cohen of Great Neck, Long Island, and they reached four hearts after an auction that included a two-club check-back that is a cousin of the Stayman convention.

West led a trump, and then a second trump on winning a spade trick. South won in dummy, ruffed a spade, and crossed to the diamond king to ruff another spade. South cashed the diamond ace, surrendered a diamond

NORTH		EAST	
♠ 10 9 8 7 6 5 4 3 2	♠ K J 10 9 8 7 6 5 4 3 2	♠ A K Q J 10 9 8 7 6 5 4 3 2	♠ A K Q J 10 9 8 7 6 5 4 3 2
♥ A K Q J 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2
♦ A K Q J 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2
♣ A K Q J 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2

West led the heart two.

## World Stock Markets

Via Agence France Presse Closing prices in local currencies, Jan. 12

Country	Index	Change
Amsterdam	3,410.15	+10.15
Bombay	1,234.56	+12.34
Hong Kong	2,345.67	+15.67
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## SPORTS

## Canada Begins Probe Of Johnson Scandal

By Herbert H. Denton

**TORONTO** — Sparked by the Olympic steroid scandal that cost sprinter Ben Johnson his gold medal and world record, a wide-ranging judicial inquiry into drug abuse in Canadian amateur sport began here Wednesday.

Johnson, 27, a native of Jamaica, was forced to return his medal and had his record of 9.79 seconds for 100 meters wiped from the books after he tested positive for the banned muscle-building anabolic steroid stanozolol at the Games in Seoul. He is not expected to be called for testimony until late February or in March.

In his first public comments after returning home to Toronto from South Korea in disgrace, Johnson flatly denied having ever taken a banned substance. Later, after retaining a lawyer, he changed his declaration to say that he had never "knowingly" used one.

Ontario Justice Charles Dubin, who was granted subpoena power and unlimited staff by the federal government to conduct the investigation and make recommendations to the federal cabinet, made it clear he wants the probe to go far beyond the Johnson episode.

In a statement in a crowded hearing room in a downtown office building, he laid out plans for a sweeping examination of drugs in sports, a situation that, he said, "threatens the very integrity of sports competition and, if unchecked, could destroy it."

"The Johnson scandal was not just a source of shock and shame for ordinary Canadians, it was a major embarrassment for sports officials who had claimed that Canada was in the forefront of countries acting to curb the use of drugs by athletes. It had sponsored an international conference on drug use in sports shortly before the Summer Games."

One of the many questions the investigation will try to answer is why Johnson was so infrequently examined in a random testing program when rumors had reached reporters, track and field officials and members of the Canadian cabinet long before that he and other members of his Toronto track team were using steroids.

Part of Wednesday's session, largely an overview of international rules banning drug use in sports, was taken up by an exhaustive historical review. It focused on Canadian athletes' lackluster performances in Olympic competition in the many decades before Johnson and several other sprinters newly arrived from Jamaica joined the national team in 1984 and Canada won more medals than ever before.

Dubin's inquiry, which is being televised live on local cable channels, is expected to last from six to 18 months, with more than 100 witnesses expected to be called.

There are more than 20 lawyers in Dubin's staff. They will be assisted by investigators from the Royal Canadian Mounted Police and the Toronto police department. Dubin, following the dictates of the federal cabinet, also has established a panel of medical and scientific experts to advise him on chemistry, physiology and sports medicine.

One of the key figures in the probe, Johnson's sports physician, Dr. George Aspinall, has returned to the Caribbean island of St. Kitts, where he has a clinic. He has suggested he may not return to Canada, where his wife and son live, to participate in the inquiry unless the government pays his expenses.

He told a reporter for the Toronto Globe & Mail newspaper that he

feared legal fees and loss of income might end up costing him more than \$200,000.

The first athletes expected to testify, next month, will be members of Canada's weight lifting team. Four of the seven members of that team tested positive for steroids and were dropped from the national squad before it went to Seoul.

Before Johnson was stripped of his medal, two Bulgarian weight lifters who won gold medals tested positive for the banned diuretic Furosemide and lost their medals.

Johnson has been banned from national and international competition for two years. Last weekend, the Canadian Track and Field Association also suspended two of his friends, hurdler Mark McKoy and sprinter Courtney Brown, from competing in Canada.

After Johnson left Seoul, McKoy and Brown refused to participate in relay events. McKoy, who packed up and came home, was suspended for two years. Brown, who remained in Seoul but declined to run on the men's 4-by-400 team, was banned from competing for a year.

Tuesday, Brown said he refused to run on the relay team because he felt "labeled as a Jamaican" by some others on the team. He said that after Johnson left Seoul, a native-born Canadian came up to him and other Jamaica-born athletes and said, "You can have [Ben Johnson] back now, he's a Jamaican again."



Frank Bruno of Britain, Tyson's next opponent, strolled peacefully through the desert at his training camp near Phoenix, Arizona.

## Tyson Resumes Fighting, in Vancouver

## 2 Photographers Losers in Melee

United Press International

**VANCOUVER**, British Columbia — World heavyweight boxing champion Mike Tyson attacked a newspaper photographer and a television cameraman Wednesday night in the hotel where his estranged wife, the actress Robin Givens, is staying while filming a movie.

Tyson, who flew to Vancouver from Las Vegas, where he is training for a fight against Frank Bruno of Britain, threw the newspaper photographer's camera 10 feet (three meters), knocked a television camera to the floor and tried three times to kick the TV cameraman as he fled down a corridor of the Vancouver Hotel.

Police said they were aware of the incident and that Tyson would be questioned about it Thursday.

David Woodward, an assistant manager at the hotel, said he didn't know how long Tyson would stay and that the press would be barred from the hotel until Tyson departed.

"Mr. Tyson is upset and has asked people to stay away," Woodward said.

British Columbia Television cameraman Mike Timbrell said his \$70,000 Betacam was heavily damaged, and a station spokesman said BC-TV was considering legal action against Tyson.

"He was trying to grab my camera and stomp on it," Timbrell said. "He grabbed it with one hand and twisted the viewfinder off. That is not supposed to come off."

"I was filming him in the lobby," Timbrell said. "He was shouting, 'Get out of here.' We had a tug-of-war. He wanted that camera really badly."

Timbrell, who is about 80 pounds (36 kilograms) lighter than the 230-pound Tyson, refused to give up the camera and ran from the hotel. "The doorman was holding him



The heavyweight champion first grabbed the lens of the camera of British Columbia Television's Mike Timbrell, then ripped away the camera with which this photograph was taken Wednesday night.

back because he was trying to come after me," he said. "I know he's got a short temper so I did not want to bother him."

John Armstrong, a reporter for the Vancouver Sun, said he, Sun photographer Mark Van Manen and Timbrell caught up with Tyson as the boxer approached the hotel.

"He got off a 4:30 flight from Las Vegas and we were surprised because he had no entourage or huggers," Armstrong said. "They wouldn't let us talk to him there, but we caught up with him at the hotel just as he was entering it."

Armstrong said Givens, who was filming "The Penthouse," an ABC television movie, was staying on the 14th floor of the hotel and that Tyson, who has filed for divorce, had flown there to meet her.

"He was real passive, but kind of confused, bewildered, at first. He asked Timbrell to turn off the camera with his bare hands and then the camera hit the deck. Timbrell turned and ran and Tyson took three kicks at him as he ran, but didn't hit him. He then walked past me with a look that would have killed and went upstairs."

Van Manen said that his lip was slightly cut when his camera was ripped away, but that the rest of the damage was to his equipment.

Woodward said he spoke to Tyson after the incident "and he agreed to be cool."

Members of the ABC film crew said later that Tyson was sitting quietly in one of the rooms rented for the movie.

## Ohio Prep Football Player's Death Laid to Steroid Use

United Press International

**ASHTABULA, Ohio** — The death of a 17-year-old high school football player during a fall practice has been tentatively linked to anabolic steroid use.

Ashabula County Coroner Robert A. Malinowski said Tuesday that "we feel strongly" that

death Oct. 31 was a result of using anabolic steroids. Malinowski said Ramirez died from an irregular heart beat caused by an enlarged heart and disease. Needle punctures were found on the boy's body, and several classmates told investigators they had seen Ramirez using a syringe to inject steroids. A syringe was found in a wastebasket in his bedroom.

## SIDELINES

## Couples Leads Hope Golf Tournament

**PALM DESERT, California (AP)** — Fred Couples shot seven-under-par 65 Wednesday to lead Jim Gallagher by a stroke after one round of the five-day Bob Hope Classic golf tournament. They, as did Brad Bryant and Peter Jacobsen at 67, played at Indian Wells, the shortest and easiest of the four desert resort courses used for the first 72 holes of the 90-hole event.

The format calls for the 128 pros to play one round on each of the courses, each with a different team of three amateurs, before the field is cut for the pro-only finish at Bermuda Dunes on Sunday.

U.S. Open champion Curtis Strange shot six-under 66 Thursday in Gold Coast, Australia, for a one stroke lead over fellow American Jeff Maggert. Australian Paul Foley and Japan's Hajime Meehan in the Palm Meadows golf tournament. Favored Greg Norman carded 75 for the first round.

## NFL Gives Players Free-Agent Deadline

**ATLANTA (AP)** — National Football League owners unanimously approved Wednesday a free agency plan to go into effect Feb. 1 unless an agreement is negotiated with the players' union. Details were not disclosed.

Management and the NFL Players Association have operated without a labor agreement since Aug. 31, 1987. The players struck for three weeks of the 1987 season before agreeing to return to work without a contract.

The union, which said the plan was "no surprise," countered in New York with a college draft proposal that would allow teams in the American and National conferences to hold separate 12-round drafts and permit players to negotiate with two teams rather than one as in the past.

## Figini Wins Women's Cup Downhill

**GRINDELWALD, Switzerland (AP)** — Defending champion Michela Figini of Switzerland beat compatriot Beatrice Gafner by nearly a half-second Thursday to win a World Cup downhill ski race.

Swiss slalom specialist Vreni Schneider, who leads the individual standings, did not enter. She was reported to be nursing a slight cold and concentrating on Saturday's Super-G and Sunday's special slalom races.

## For the Record

Israel made its first basketball trip to the Soviet Union in 22 years a memorable one Thursday night as Maccabi Tel Aviv beat CSKA Moscow, 97-92, in their European Champions Cup final pool match. The return game will be played in Tel Aviv on March 9. (AFP)

## Yankees' Row Retired Professor Adds With Winfield To Furor at N.C. State Grows Nastier

The Associated Press

**NEW YORK** — The New York Yankees informed the office of major league baseball's commissioner in 1987 that Dave Winfield had allegedly made loans to a gambler, it learned Wednesday.

Rich Levin, a spokesman for the commissioner, Peter Ueberroth, confirmed that the charges had been made but declined to say when.

"To date, evidence has not been presented or uncovered which would warrant commissioner action," Levin said. "We will continue to investigate the matter."

Howard Spira, 29, of New York identified himself Wednesday as the one who made the allegations, which were included in a lawsuit filed by team owner George Steinbrenner. Jeff Klein, Winfield's lawyer, said the outfielder had loaned money to Spira but was unaware he was associated with gamblers.

Winfield and the David M. Winfield Foundation sued Steinbrenner on Friday, charging him with failing to make \$450,000 in payments to the foundation, as required by a contract signed in 1981.

Steinbrenner contended Monday, changing mood of funds and alleging Winfield failed to make \$380,000 in payments to the foundation, as required in the contract.

Tax records kept by the foundation show that in 1986 and 1987 Winfield contributed \$35,000 to the foundation. Klein said Winfield had not made his payments directly but made "loans that had been forgiven."

"There also was interest on loans that had been forgiven," Klein said. "Dave also caused third parties to make contributions."

## A Bettor on Horses Finds Heaven Is Down Under

Washington Post Service

**WASHINGTON** — When the pool for the Double Triple was growing toward \$2 million at Laurel Race Course near here in December, numerous racing people remarked about my absence from the betting windows.

My Washington Post colleague, Vinnie Perone, would reply, accurately, "You know that for Andy to miss action like this he'd either have to be dead or else on the other side of the world." Fortunately, the correct explanation was the latter. Even though spending a month in Australia cost me a shot at the Double Triple, it gave rise to another gambling fantasy.

I had wanted to make this trip ever since reading in a tourist guidebook that "Australians' two great passions are gambling and drinking." And, indeed, I was able to confirm the part about gambling about two minutes after arriving in the country.

I picked up the Melbourne papers to see what kind of information they had about the races, and they covered the routine, upcoming Saturday program the way the Louisville Courier-Journal would cover the Kentucky Derby; with 12-page pullout sections and the like. (On the day after the races, there would be full-length coverage of all eight races on the program.) Clearly, the Aussies take their racing seriously.

But it was when I walked into Sandown Race Course and bought a program that I realized I had arrived in a horseplayer's heaven. The program was as thick as a small book, for although there were only eight races in the Melbourne track, every other major track in Australia was simulcasting most or all of its card to Sandown. Each live race would be followed by a simulcast from Sydney, from Adelaide, from Brisbane, adding up to a program of 35 races — all with trifecta and quinella betting, plus an assortment of other exotica such as the quadrella.

Even when the day's last live race had been run, a losing bettor didn't have to concede

By Barry Jacobs

New York Times Service

**HILLSBOROUGH, North Carolina** — A controversy started by the jacket cover of a forthcoming book charging wrongdoing in the North Carolina State basketball program intensified Wednesday when a retired professor said grades had been changed to maintain the eligibility of Chris Washburn, one of the school's former star players.

Richard A. Lauffer said he had told Bruce R. Poulton, chancellor of the university, of the changes and was told "not to worry about it."

Lauffer, recently retired after seven years as chairman of the school's physical education department, said he had seen a computer printout during the spring of 1985 showing three no-credit grades for humanities courses taken by Washburn, a center who turned professional after the 1985-86 season.

According to Lauffer, another printout of Washburn's grades several weeks later showed Ds in the same courses.

"The reason that it was called to my attention was that faculty members in my department were complaining about the harassment they were getting from assistant coaches about the classes they had with Washburn," said Lauffer.

Poulton said Wednesday that "I deny the conversation as alleged by Mr. Lauffer ever took place, and further, find his allegations to be in total disagreement with the review of official university records."

The university's attorney, Becky R. French, said her personal review of Washburn's academic file had revealed no evidence of improper alteration of grades.

Lauffer said he wanted to report

the changes until he saw whether Washburn returned to school the next fall, adding that "I wanted to know if Washburn was eligible to play, because those nine hours were the difference."

Lauffer's allegations came in the wake of newspaper articles about charges appearing on the jacket cover of a book called "Personal Fouls," written by Peter Golenbock and scheduled for publication by Pocket Books, a subsidiary of Simon & Schuster, early next month.

Along with charges that booster funds had been diverted and that North Carolina State players had been illegally paid and had incriminated drug-test information suppressed, the book cover says that "grades and class attendance were fixed with the aid of willing college officials and professors."

University officials, as well as current and former players, have denied the charges. Poulton and Jim Valvano, the basketball coach whose team has often been highly ranked, have invited the National Collegiate Athletic Association to investigate the basketball program, and the school is contemplating suing the publisher for damages.

French said North Carolina State had asked Simon & Schuster to halt publication until the school could study the manuscript.

Lauffer said he decided to speak out after hearing Valvano deny the charges. He said Poulton told him he was "well aware" of Washburn's problems, including the much-publicized theft of a stereo system and a less-publicized theft while on a team trip to Greece.

Washburn, now with the Atlanta Hawks of the National Basketball Association, was unavailable for comment.

## SCOREBOARD

## SKIING

## World Cup

**WOMEN'S DOWNHILL**  
(at Grindelwald, Switzerland)  
1. Michela Figini, Switzerland, 1:55.24  
2. Beatrice Gafner, Switzerland, 1:56.26  
3. Corinne Maury, France, 1:56.51  
4. Maria Wallner, Switzerland, 1:56.82  
5. Heidi Johansson, Austria, 1:56.97  
6. Barbara Schuster, Austria, 1:56.95  
7. Veronique Vigneron, Austria, 1:57.17  
8. Heidi Johansson, Austria, 1:57.28  
9. Sylvia Eder, Austria, 1:57.41  
10. Mikaela Gafner, West Germany, 1:57.44  
11. Heidi Johansson, Austria, 1:57.44  
12. Heidi Johansson, Austria, 1:57.44  
13. Heidi Johansson, Austria, 1:57.44  
14. Heidi Johansson, Austria, 1:57.44  
15. Heidi Johansson, Austria, 1:57.44  
16. Heidi Johansson, Austria, 1:57.44  
17. Heidi Johansson, Austria, 1:57.44  
18. Heidi Johansson, Austria, 1:57.44  
19. Heidi Johansson, Austria, 1:57.44  
20. Heidi Johansson, Austria, 1:57.44

## SOCCER

**SPANISH FIRST DIVISION**  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0  
Atletico 1, Valencia 0

## TRANSITION

**BASEBALL**  
American League  
Boston — Jured to terms with Rick Cossentino on one-year contract.  
California — Jured to terms with Rick Cossentino on one-year contract.  
Milwaukee — Jured to terms with Rick Cossentino on one-year contract.  
New York — Jured to terms with Rick Cossentino on one-year contract.  
Pittsburgh — Jured to terms with Rick Cossentino on one-year contract.  
St. Louis — Jured to terms with Rick Cossentino on one-year contract.  
Texas — Jured to terms with Rick Cossentino on one-year contract.  
Toronto — Jured to terms with Rick Cossentino on one-year contract.  
Washington — Jured to terms with Rick Cossentino on one-year contract.  
White Sox — Jured to terms with Rick Cossentino on one-year contract.

## HOCKEY

## NHL Standings

**WALEY CONFERENCE**  
Patrick Division  
Washington 15 7 53 102 6A  
Pittsburgh 14 7 51 102 6A  
NY Rangers 13 7 49 102 6A  
Philadelphia 12 7 47 102 6A  
New Jersey 11 7 45 102 6A  
NY Islanders 10 7 43 102 6A  
Adams Division  
Montreal 29 11 64 174 131  
Boston 28 11 62 174 131  
Buffalo 27 11 60 174 131  
Hartford 26 11 58 174 131  
Quebec 25 11 56 174 131  
Campbell Conference  
Norris Division  
Detroit 28 11 64 174 131  
St. Louis 27 11 62 174 131  
Toronto 26 11 60 174 131  
Minnesota 25 11 58 174 131  
Chicago 24 11 56 174 131  
Smyth Division  
Calgary 28 11 64 174 131  
Edmonton 27 11 62 174 131  
Vancouver 26 11 60 174 131  
Winnipeg 25 11 58 174 131  
Western Conference  
Midwest Division  
Houston 28 11 64 174 131  
Phoenix 27 11 62 174 131  
Dallas 26 11 60 174 131  
San Antonio 25 11 58 174 131  
Alamo 24 11 56 174 131  
Pacific Division  
Los Angeles 28 11 64 174 131  
Portland 27 11 62 174 131  
Vancouver 26 11 60 174 131  
Seattle 25 11 58 174 131  
San Jose 24 11 56 174 131  
Wednesday's Results  
Pittsburgh 15, Boston 10; Montreal 10, Toronto 7; Detroit 10, St. Louis 7; Chicago 10, Minnesota 7; Dallas 10, San Antonio 7; Los Angeles 10, Portland 7; Vancouver 10, Seattle 7; San Jose 10, San Jose 7.

## BASKETBALL

## NBA Standings

**EASTERN CONFERENCE**  
Atlantic Division  
New York 22 11 64 174 131  
Philadelphia 21 11 62 174 131  
Boston 20 11 60 174 131  
New Jersey 19 11 58 174 131  
Washington 18 11 56 174 131  
Charlotte 17 11 54 174 131  
Central Division  
Cleveland 28 11 64 174 131  
Detroit 27 11 62 174 131  
Atlanta 26 11 60 174 131  
Milwaukee 25 11 58 174 131  
Chicago 24 11 56 174 131  
Indiana 23 11 54 174 131  
Western Conference  
Midwest Division  
Houston 28 11 64 174 131  
Phoenix 27 11 62 174 131  
Dallas 26 11 60 174 131  
San Antonio 25 11 58 174 131  
Alamo 24 11 56 174 131  
Pacific Division  
Los Angeles 28 11 64 174 131  
Portland 27 11 62 174 131  
Vancouver 26 11 60 174 131  
Seattle 25 11 58 174 131  
San Jose 24 11 56 174 131  
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Even Jerry Rice, the star wide receiver of the San Francisco 49ers, was in a sparring mood Wednesday during the team's practice in Santa Clara, California, in preparation for the Super Bowl on Jan. 22, when the 49ers will play the Cincinnati Bengals.

## Selected U.S. College Scores

**Baseball**  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0

## Selected U.S. College Scores

**Baseball**  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0

## Selected U.S. College Scores

**Baseball**  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0  
Boston U. 5, Maine 0

## VANTAGE POINT/Andrew Beyer

I had wanted to make this trip ever since reading that the "Australians' two great passions are gambling and drinking."

defeat; he still could try to bail out on the late West Coast races from Perth. And the bettors bet plenty; the day I visited Sandown, the total wagering in the tote was \$14 million — plus another \$3 million with the legal bookmakers at the track.

There is not only a great quantity of action on track, there is plenty off-track as well. Off-track betting shops, called TABs, abound in every city; even the smallest town will have a TAB operating out of the corner of a pub or restaurant. All this wagering pumps a huge amount of money into the sport, and Australia has the second-highest purses in the world, next to the United States, as well as first-class racing facilities.

The major tracks are not only modern and attractive, but they have an ambience distinctly more civilized than, say, the grandstand at Aqueduct in New York. At Ballarat, a country track in the state of Victoria, one of the activities was a fashion contest for female patrons. The best-dressed ladies in attendance were awarded prizes, and everybody gave polite applause. (Big bias, I noted, were crucial to success.) At Randwick, in Sydney, the most popular spot in the track was the Champagne Bar, which was packed with hundreds of people drinking Moët with a gusto that confirmed my guidebook's assessment of Australians' other great passion.

But from the standpoint of an American tourist, the best thing about Australian racing is that the game seems recognizable and understandable. I have visited leading tracks in Europe, and, class though they may be, the racing seemed as alien as if it were being conducted on

the moon. Early speed means nothing; after the horses gallop around the track for a while, the leader collapses and somebody else accelerates in the last furlong to win.

Even though all of the races in Australia are on the grass, and many of the tracks run their races clockwise, the factors that determine winners are much like those in America. Early speed is important; front-runners who set a slow pace will win. Saving ground on the turns is important, too.

While Australian racing is so similar to the American game, the sophistication of the Australian bettors is nowhere close. Although there are some smart professional bettors — many of whom rely on computers for their analysis and betting strategies — the great majority seem to be handicapping the way Americans did 20 years ago. They place plenty of emphasis on weight and class; most dismiss the importance of time. As far as I could discern, almost nobody computes the type of speed figures that have come to be recognized in the United States as a pre-eminent handicapping tool.

I am not certain that U.S.-style speed figures would work effectively in Australia, but if they did they could be sensationally profitable. But I am determined to find out, and at some time in the future I will be poring over old race results to construct speed charts for tracks like Randwick, Rosehill and Canterbury, with the intention of making a return visit and becoming Australia's greatest horseplayer. Even winning the Double Triple couldn't rival that for a fantasy.



